Money

8 SMART WAYS TO CUT YOUR TAXES P. 27

MARCH 2015
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COVER STORY

Money FEATURES

Contents

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Contents

Cover photograph by **GREGORY REID**
Prop styling by Brian Byrne for Set in Ice

Plan

> *"Of all the published papers in finance, over half are likely false."*
> —Campbell Harvey, ***Can You Really Beat the Market?***

Retire

Invest

FIRST

IN THIS ISSUE

COLUMNS

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PHOTOGRAPH BY JEFF BROWN; GROOMING BY KYRA DORMAN

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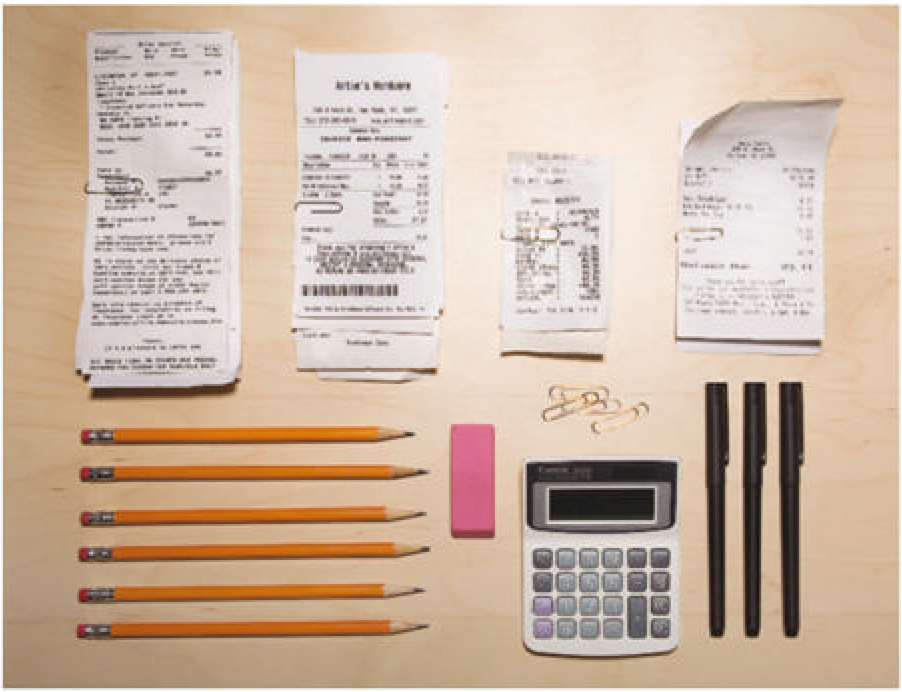
INVESTOR'S GUIDE 2015

The best moves right now to keep your investing goals on track. ***money.com/investorsguide***



TAX TIME MADE EASY

...Or at least less of a headache with the help of our 2015 Tax Guide. Find out about changes this year, which tax-prep software will save you the most time, common mistakes to avoid, the best ways to trim your bill, and the answer to the question, "Can I deduct that?" ***money.com/taxguide***

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Have a richer retirement with news and advice curated by MONEY's retirement expert, Penelope Wang, and delivered to your in-box weekly. ***money.com/retirewithmoney***

TRY THIS AT HOME?

If this issue's outsourcing feature (page 70) inspires you to order a planned meal kit for dinner, watch us test it first. ***money.com/video***

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COLUMNIST

PHILIP MOELLER

explains strategies to help you maximize your income in retirement.

@philmoeller

PHOTOGRAPHS BY SHAYLA HUNTER (TAX TIME); GREGORY REID (COVER); CHAD GRIFFITH (WANG); GALLERY STOCK/ALAMY/ISTOCK (ROAD)


The cloud that responds first.
Mother Nature can be a tough customer. That's why emergency responders around the world need to be agile and coordinated when disaster strikes. Powered by Lync and Office 365, teams from multiple organizations can collaborate and coordinate in real time to outmaneuver emergencies — no matter what device they are on.
This cloud helps save more than time. This is the Microsoft Cloud.
learn more at microsoftcloud.com
Microsoft Cloud

LETTERS & COMMENTS

Write to MONEY: letters@moneymail.com

RE: LIVE HAPPILY EVER AFTER [JANUARY/FEBRUARY]

At first glance Donna Rosato's article seemed like just another how-to story aimed at retirees. Not so. It is by far the most succinct and spot-on advice I have had the privilege of reading. Two years into retirement, I've managed, either through luck or trial and error, to hit many of the marks she recommends. I'll start on the others now; it's easier now that I know where I should be headed.

TIM TINLEY, *Jonesboro, Ga.*

BY THE NUMBERS

"Four Season Curb Appeal" [January/February] suggests using fancy fonts or letters instead of numerals for your house number. In my town it's mandatory that the address be visible from the street and listed in Arabic numerals at least five inches high. I'm happy with this rule, as are police, fire responders, and delivery people. I'll gladly give up creative house numbers in exchange for a pizza delivered hot.

RON ADAMS
Irondequoit, N.Y.

FUND TABLE TALK

As a longtime subscriber, I look forward to the Investor's Guide Fund Tables. Unfortunately, you didn't publish the tables this year. I've tried to find other sources for this information—including some requiring an expensive subscription—but none are as good. I hope you'll reconsider this year.

RAE DELVECCHIO
Vero Beach, Fla.

EDITOR'S REPLY: *As the fund business has grown more concentrated, we felt we could best serve our readers by devoting space to the most commonly held funds and by providing tables of top-performing funds and infographics to explain what happened to your portfolio—and why—over the past year.*

GOOD BUSINESS

I enjoyed "Shifting From Buddy to Boss" [January/February]. Being a boss means viewing your staff's successes as your own. If they excel, you as a manager will excel as well.

DAVID SMOLEN
Warsaw, Ind.

LIVE LONG AND PROSPER

Kudos on your Outlook issue [December], especially the multifaceted "You Will Prosper in 2015." It was measured, prudent, and based on solid intelligence. I will directly incorporate this overarching perspective into my investment plans.

KEN DEROW, *Swarthmore, Pa.*

TWEETS ABOUT RECENT STORIES

I get better selection and prices on things I would have bought somewhere else anyway, plus save time and money.

@SDGIANT25
Re: "Amazon Prime Membership Should Come With a Warning"

Very good points here. Value what you think you're worth.

@BAREFOOTBLONDE5
Re: "The Best Answer to the Question, 'What Are Your Salary Requirements?'"

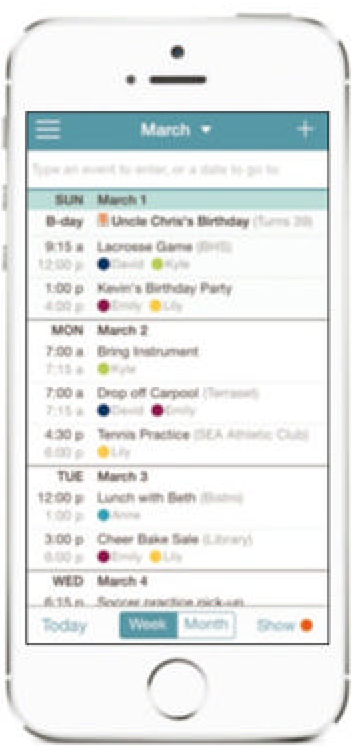
Ha! You couldn't pay me $35K to go to the Super Bowl.

@THURMZZ
Re: "Why a Trip to the Super Bowl May Not Be Worth the Staggering Cost"

Let's hope these buyers have the balance sheet & down payment to afford it. Otherwise, here we go again. Humbug.

@_TJLD
Re: "Why More Home Buyers May Be Trading Up to Bigger Digs This Spring

ILLUSTRATION BY JASON HINDLEY



THINK OF IT AS MOM'S SECRET WEAPON.

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ENERGY STAR

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EDITOR'S NOTE

The Skill I *Really* Wish I Had

TAKING A WRONG STEP ON HOME REPAIRS HAS COST ME PLENTY.

PHOTOGRAPH BY MICHAEL BLANN/GETTY IMAGES

THERE ARE A LOT OF THINGS I can't do. Most of them I'm more or less accepting of, either because of age—a six-minute mile is no longer a possibility—or because my brain has never been up to the demands of, well, pick any hardcore science. But as you would expect the editor of this magazine to be, I'm a DIY kind of guy, so I've always been particularly frustrated by my ineptitude around the house.

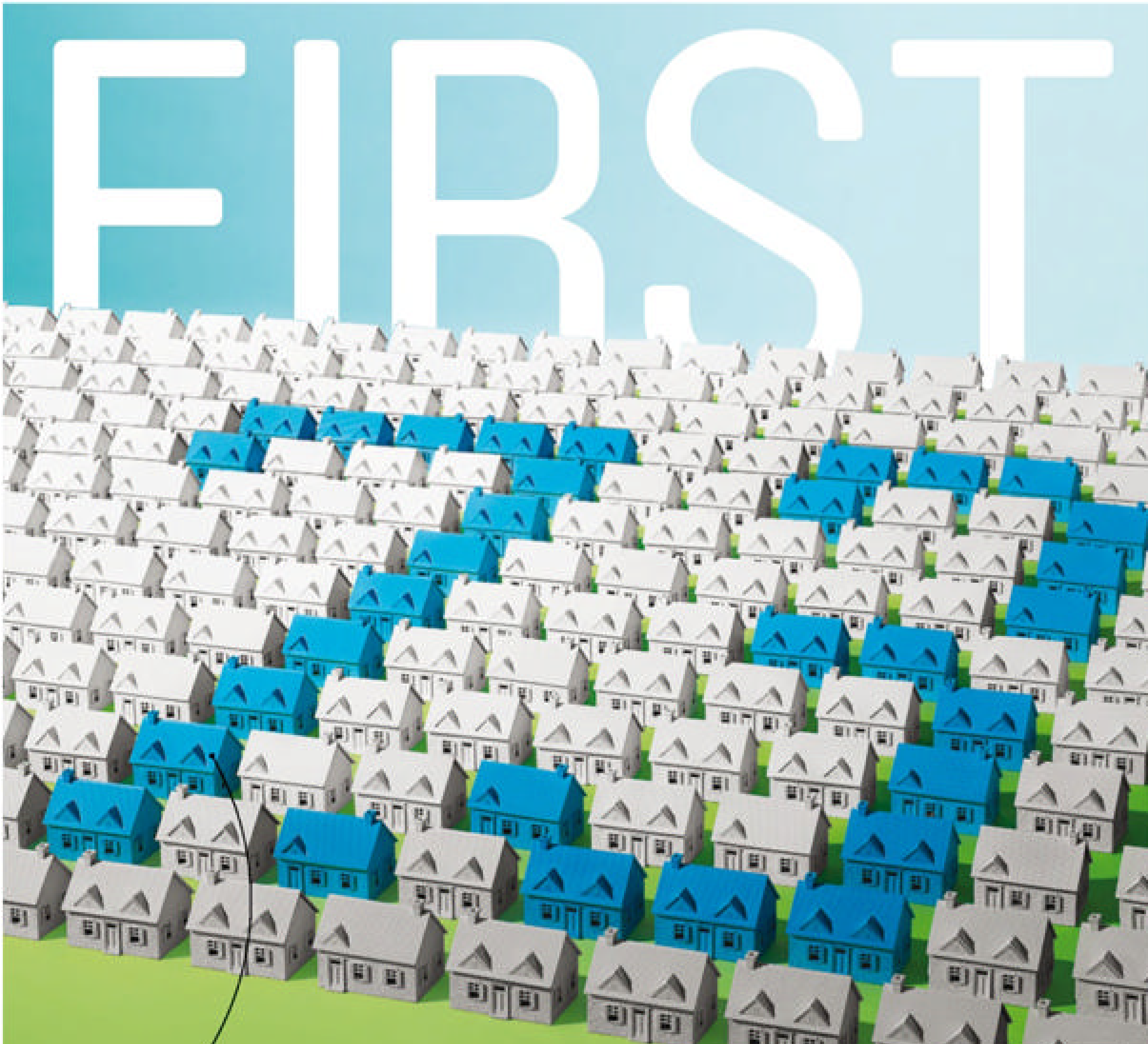
Chores that rely on brute force are no problem. Install the window AC units, take care of the lawn, power-wash the patio. Check. Upping the required skill level a bit, however, can lead to folly. Last year's winter prep of the boiler left us with no heat, water jetting from the overflow valve, and two leaking first-floor radiators. The repair of a slowly dripping pipe the year before turned into a minor flood. The extra holes in the basement ceiling from wiring the house for speakers remain.

Not that I don't keep plugging away, and I feel especially good when I take on a novel task and succeed. It's in that spirit of conquest that we bring you "19 Skills That Will Put More Money in Your Pocket," on page 62, part of our three-story cover package aimed at boosting your financial fitness. Relying on expert advice for everything from careers to cars to, yes, what should be in your toolbox, associate editor Susie Poppick and contributor Daniel Bortz have put together a piece that will inspire you to learn a few tricks that can save or make you money—and give you that same sense of accomplishment I feel when a level shows that the job just completed is perfectly straight.

Soon I'll have more time to work on my repair skills. After 17 years at MONEY, including six as editor, I'm leaving to pursue my second act, a career in teaching. It's been a privilege to work for you. My deputy, Diane Harris, will succeed me here. I leave you in very good hands.

Craig Matters

CRAIG MATTERS
MANAGING EDITOR
twitter.com/craigmatters



Millions of home-owners who may benefit from a refi

The average rate for a 30-year fixed mortgage hit 3.8% in mid-January, a 19-month low. More than 7 million borrowers still pay over 4.5% and have good credit and at least 20% equity, says mortgage analytics firm Black Knight Financial Services. If you're one of them, it could be time to refinance. Think you can shave off half a point or more? How to get started:

BORROWING TIME

GO LOCAL. Start by calling your current lender, which may be willing to cut you a deal on fees (expect to pay up to 2% of the principal). Compare that offer to same-day quotes from two or more other lenders, including a credit union.

TAKE THE LONG VIEW. Be sure you'll stay put long enough to break even on fees. Then decide whether extending your term will pay off, says Keith Gumbinger of HSH. Say you're 10 years into a $200,000, 30-year mortgage at 5.7%. Refinancing into another 30-year loan at 3.8% will save $390 a month, but you'll essentially break even on the total cost—and you've added another decade of payments.

SHORTEN UP. For the best deal long term, trim the length of your loan. Refinancing that same 30-year mortgage into a 15-year fixed loan at the mid-January low of 3.1% will have little effect on the monthly payment, but it will save you a whopping $69,000 by the end of the term. —KATE ASHFORD

PROP STYLING BY ROBIN FINLAY

Photograph by **ADAM VOORHES**

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READERS TO THE RESCUE

"I'm a new mom. A neighbor I barely know gave me $50 for diapers. Should I accept the money?"

Yes, you should. I think it's a gracious gesture. Now, make a point to get to know this neighbor and perhaps you'll end up with a great new friendship as well!

ADELE SLIHEET BRIESTENSKY
Lake Forest, Calif.

No, accept money only when you know there are no strings attached. You don't know this person well enough to say whether this is really a gift or a loan.

DWIGHT S.
Minnesota

I'd say accept it, on the condition that the neighbor allows you to return the favor by mowing his lawn or something similar.

TODD A. BERDIT
Enid, Okla.

Unless he seems needy or creepy, accepting with genuine gratitude is fine. If things get weird, you could always get him a thank-you basket of equal value and call it even.

ANGEL
Reno

If you're uncomfortable accepting the money as a gift, you could always treat it as a loan and pay him back later.

ANONYMOUS

Never turn down money! Twelve years ago a stranger gave me $20, and I'm still talking about it.

ANDREW D.
Detroit

Why not? As a mom of two, I'm amazed by the kindness of strangers. Take the money, give thanks, and look for ways to pay it forward. Maybe you can return the favor.

HOLLY PEREZ
San Jose

THE EXPERT SAYS

Quite simply, the cash is a gift. It's not intended to imply anything other than "Congratulations! Here is a little something to help you buy diapers (or whatever you need)." Returning the money would be an insult. Accept it graciously and write a thank-you note. Then, if you don't need it, pass it on to someone who does.

JACQUELINE WHITMORE, *founder of manners website EtiquetteExpert.com*

Want solutions to a financial dilemma in your life? Email your question to **social@moneymail.com.**

FACEBOOK QUESTION OF THE MONTH

WHAT SKILL WOULD YOU MOST LIKE TO LEARN THIS YEAR?

SEE 19 SKILLS (PAGE 62)

How to restore and repurpose furniture.
—GLORIA GONZALEZ

I'd like to practice more of the techniques from Dale Carnegie's book, *How to Win Friends and Influence People.* —MARK PAVAROTTI

To learn a new language. —THERESA TRIMBLE

I love fashion, so I want to learn to sew and make designs I can wear.
—KRISTINE WEIMER

I want to learn 3-D printing. That's why I'm taking classes at Berkeley City College.
—DEREK CHARTRAND WALLACE

How to stick to a decision! —SIDRA SALMAN

How to build solar panels and live off the grid forever. —GABRIEL COLMENERO

To use the power of self-affirmation and positive thinking. —EVA TORTORA

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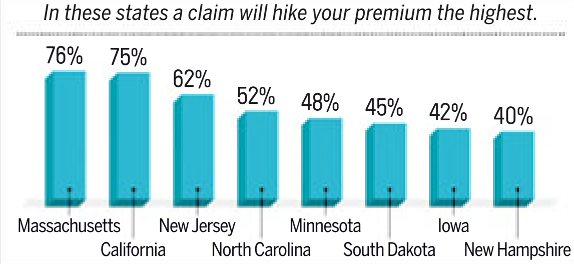
INSURANCE

Small Auto Claims Can Turn Into Big Premium Hikes

FILING JUST A SINGLE CLAIM after a car accident raises your auto insurance premium an average of 41%, according to a new study from InsuranceQuotes.com. These rate hikes, which usually kick in only if the accident is your fault, range from a high of 76% in Massachusetts to a low of 22% in Maryland. Examining costs for a college-educated, 45-year-old woman with a clean driving record who files a $2,000 claim, the study also found that two accident claims would double premiums at renewal time. The lesson: After a minor accident, you might want to cover repair costs out of pocket rather than tap your insurance policy.

You should file, though, if someone is hurt, says Michael Barry, a spokesman for the Insurance Information Institute trade group. Bodily injury costs, he explains, can reach five times the payout of a property-damage claim. Also file, he says, if your policy includes accident forgiveness—your insurer's promise to not raise rates after your first fender-bender. —JACKIE ZIMMERMANN

In these states a claim will hike your premium the highest.



NOTE: Based on $2,000 claim for 45-year-old woman with no prior claims. ***SOURCE:*** *InsuranceQuotes.com*

YOU HAVE A SHOT AT THE 1% CLUB

New research indicates that the average American has a 1-in-9 chance of being in the highest tier of earners. But only for a year.

A study out of Cornell and Washington University in St. Louis challenges the notion that the 1% and the 99% have little turnover. Rather, the authors say, people often move into and out of high-income levels. For example, 53% of Americans are in the best-paid 10% for at least a year.

Staying at the top, however, isn't easy. Only 4.5% of people will be a 1% earner for two straight years. Just 0.6% will last 10 years or longer.

Among the strongest predictors of high income, say the researchers: education, marriage, and race. —*J.Z.*

QUOTED

"You've got to beat the crooks to the punch... They know that the first filer wins."

CPA Troy Lewis, *on why you should file your taxes early: You'll make it harder for a fraudster to get a refund by submitting a return in your name.*

GETTY IMAGES (VELVET ROPE)

Illustration by LO COLE

Find Your Inclusive Resort

Don't get nickel-and-dimed! A place with a flat daily rate can mean big savings. —STIRLING KELSO

MAYA TULUM

For an escape that combines healthy living with a healthy dose of pampering, try a package from the 46-cabana Maya Tulum, an hour and a half south of Cancún (from $277 per person in March, five nights minimum). The price, which includes fresh seafood meals and twice-daily yoga classes, handily beats other wellness-themed resorts in the region, says Karen Benson of Camelback Travel. The Zoëtry Villa Rolandi on Isla Mujeres, for instance, costs $340 a night. Booking a full week? The resort will throw in two spa treatments, a $160 savings.

CLUB MED SANDPIPER BAY

Good luck finding a resort packed with more activities than this sprawling, family-friendly Florida Club Med (from $160 per adult in March; $70 per child age 4 to 14; younger kids free). While kids paint in the art studio, swing from the flying trapeze, or hang out in the teen lounge, you can take a golf or sailing lesson. "You're saving hundreds compared to doing these activities individually," says Margie Hand of Andavo Travel. Sailing classes nearby on St. Lucie River, for one, are $250. For an extra $85 a day (booked in advance), the Sandpiper also offers childcare for kids as young as 4 months.

CHIC PUNTA CANA BY ROYALTON

Located on the eastern tip of the Dominican Republic, the adults-only Chic resort (March rates from $386 for two) is the rare Punta Cana property to offer a luxury getaway at an affordable rate. To save even more, go in April, when prices drop 23%. Either way, you and your significant other can spend your visit playing tennis, lounging on the gorgeous beach, and trying out the slew of bars and restaurants. Or just opt for some alone time: 24-hour room service is included.

How to Vet Your Options

Choosing an all-inclusive is trickier than picking a regular hotel. What to consider:

SIZE IT UP What's your priority? A resort with more than 200 rooms will have more amenities—and is likely to be cheaper—whereas smaller properties tend to have better service and food.

MIND THE MISNOMER Even at many "all-inclusives," you may have to shell out for extras like golf, spa treatments, and off-property outings. To save up to 15%, try booking those activities in advance.

COMPARISON-SHOP Buying an airfare package from the resort could save you 5%, says Janet McLaughlin of Provident Travel. That said, always price flights yourself before committing.

CLOCKWISE FROM TOP: PHOTOGRAPHS COURTESY OF CLUB MED SANDPIPER BAY; COURTESY OF CHIC PUNTA CANA; COURTESY OF MAYA TULUM RESORT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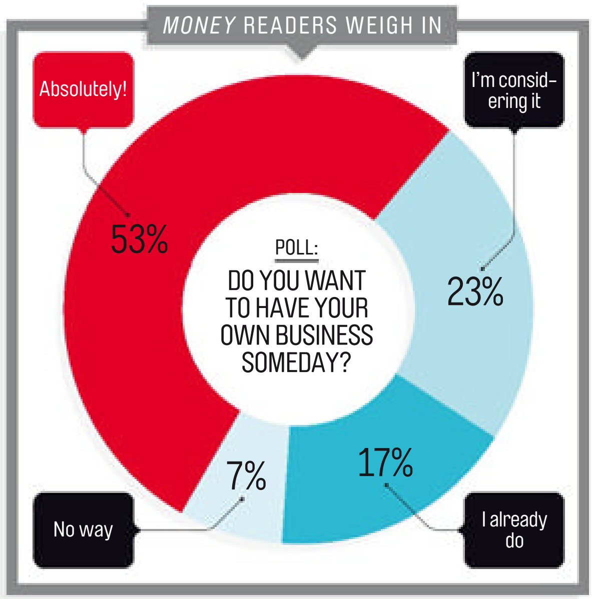
FIRST

THE STATS

Next month's question: ***Will you save more for retirement this year vs. last?*** *To cast your vote, go to* ***money.com.***

What to Expect When You're the Boss



STARTUPS THAT GET THE MOST FUNDING, BY TYPE (TOP 3)

Software

Media and entertainment

Biotechnology

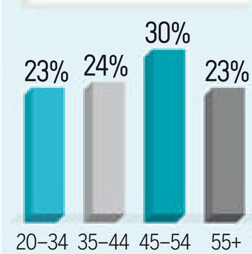
LARGEST SOURCES OF FUNDING FOR SMALL FIRMS: 1 SELF-FUNDED 2 LOANS 3 LINES OF CREDIT 4 FAMILY & FRIENDS

SALES RACKED UP ON SMALL-BUSINESS SATURDAY (NOV. 29, 2014)

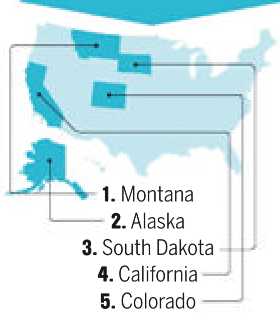
AN AVG. $162 PER SHOPPER

$14,300,000,000

AGE BREAKDOWN OF NEW ENTREPRENEURS

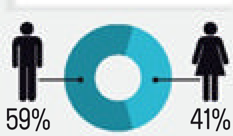


MOST NEW BUSINESSES (WEIGHTED BY POP.)



60% of new jobs generated from **2009** to **2013** were created by small businesses.

MALE VS. FEMALE ENTREPRENEURS



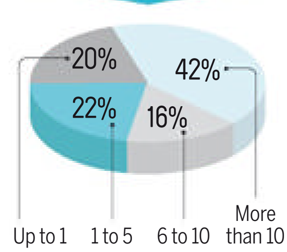
BUSINESS OWNERS' TOP CHALLENGES

1. Economic uncertainty

2. Cost of insurance

3. Inability to access capital

ENTREPRENEURS' YEARS OF RELEVANT INDUSTRY EXPERIENCE

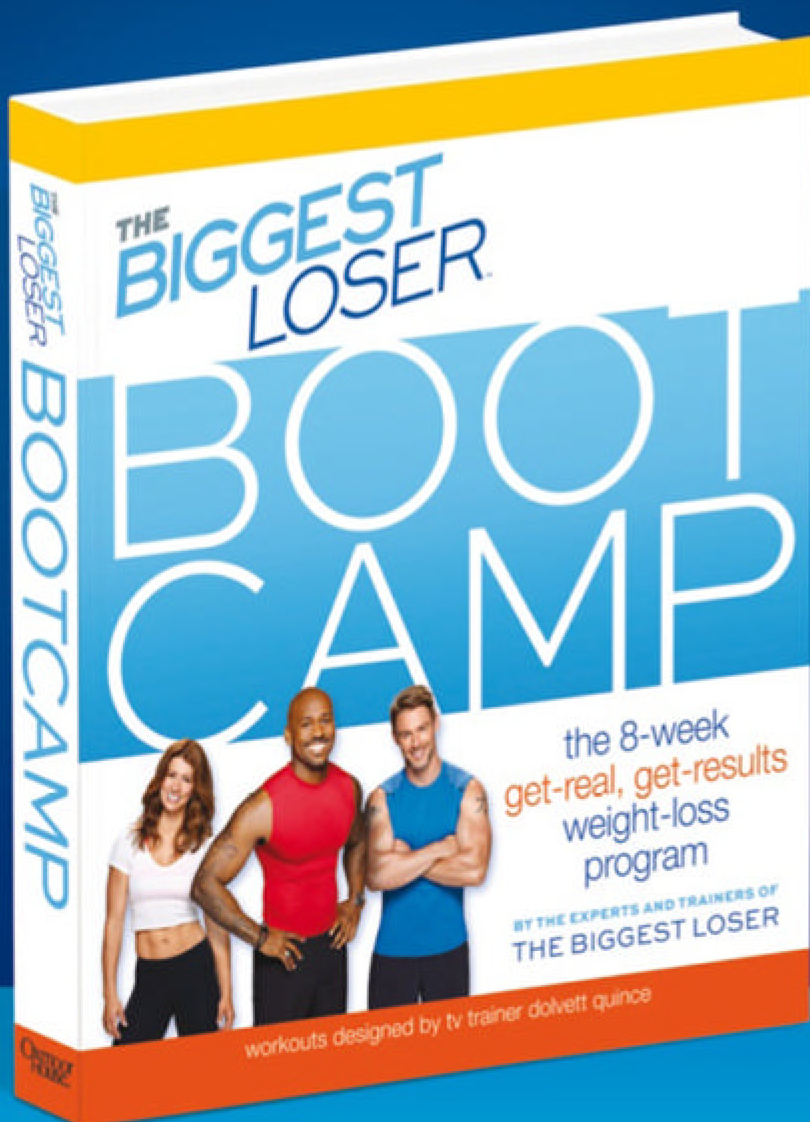


MORE MONEY, MORE STAFF? In July 2014, **45%** of small-business owners said they predict an increase in net profits in the next 12 months; **33%** said they expect to increase the size of their staff during the same time period.

UP FROM 25% IN 2012

NOTES: Online poll conducted in January; 975 responses. Most new businesses and age breakdown of entrepreneurs from 2013. SOURCES: American Express, Fundable.com, Kauffman Foundation, National Small Business Association, U.S. Small Business Administration

YOUR TRANSFORMATION BEGINS NOW



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Oxmoor House


Are you asking enough questions about the way your wealth is managed?
In life, you question everything. The same should be true when it comes to managing your wealth. Do you know what your broker is basing their recommendations on? Do they stand by their word? Do you know how much you're paying in fees? And how those fees affect your returns? Ask your broker, and if you don't like their answers, ask again at Schwab. We think you'll like what our Financial Consultants have to say.
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8 Tax-Filing Flubs to Avoid

THESE COMMON MISTAKES CAN KEEP YOU FROM GETTING THE FULL REFUND YOU'RE OWED. *by* **Karen Cheney**

SLIPPING UP on your taxes can exact a high price. Some of the most frequently made blunders—silly things like entering the wrong Social Security number, spelling your name incorrectly, or putting in the wrong account numbers for direct deposit—hold up processing your return and any refund you might be due. That's bad enough.

Other common mistakes cost you more than time. They cost you real money. Just by overlooking deductions, taxpayers give up an average of about $600 at tax time, according to research by Youssef Benzarti, an economics Ph.D. candidate at

PROP STYLING BY MEGUMI EMOTO

Photograph by ZACHARY ZAVISLAK

the University of California at Berkeley. He found that many people don't itemize when they should—therefore passing over breaks such as the write-off for investment-related expenses. "Or," says Benzarti, "they take only the easy deductions like mortgage interest and state taxes" and not harder-to-prove ones, such as charitable donations and use of a home office.

With April 15 fast approaching, MONEY consulted with a slew of tax pros to find out what other savings taxpayers like you typically miss. Review your return to make sure you don't commit any of these costly errors.

1. TAKING THE WRONG WRITE-OFF FOR COLLEGE

There are two mutually exclusive breaks you can use to ease the pain of paying for higher ed. People sometimes automatically take the $4,000 tuition and fees deduction because it sounds like the most money. But the $2,500 American Opportunity Tax Credit is typically a better deal, says Melissa Labant, director of tax advocacy for the American Institute of CPAs. Here's why: The tuition and fees deduction lowers the portion of your income subject to tax. "But a tax credit yields a dollar-for-dollar reduction in the taxes you owe," says Labant.

You're eligible for the full AOTC if you spend $4,000 on tuition and fees, as you can slash your taxes by 100% of the first $2,000 and 25% of the next $2,000. Also, your adjusted gross income must be $80,000 or less if single, $160,000 or less if married and filing jointly. (Partial credit is available for incomes up to $90,000 for singles and $180,000 for couples filing jointly.)

One caveat: You can't take the AOTC for more than four years for any one dependent. So if your kid takes longer to graduate, you'll be glad to have the tuition and fees deduction for year five.

2. PAYING TOO MUCH TAX ON INVESTMENTS YOU SOLD

At its simplest, your cost basis for figuring out the tax liability on an investment you've sold is the original price you paid for that investment. It's subtracted from the price at which you sell in order to calculate capital gains or losses. Where it gets thorny is when you have to adjust your shares for such things as stock splits, reinvested dividends, capital gains distributions, and sales commissions.

Brokerages and mutual fund companies have been required to track cost basis for their customers since 2011 and 2012, respectively. But you have to calculate cost basis yourself on shares bought before those dates. Unfortunately, many investors forget to do that and end up paying more capital gains than they owe when they sell, says Kris Gretzschel, CPA and manager of the tax and financial planning team for Wells Fargo Advisors.

Say you purchased 100 shares of a stock for $100 per share and paid a $20 commission; your original cost basis is $10,020. Let's assume you then received a $3-per-share dividend each year for five years that you automatically reinvested. Your new cost basis is $10,020 plus $1,500 ($300 times five years) for the dividend, or $11,520. Now say you sell the stock for $18,000. Using the original cost basis instead of the adjusted one, you'd be paying taxes on $7,980 in gains vs. $6,480.

Online calculators like the one at CalcXML.com can help you tally up your cost basis. Or you can use a service like Netbasis.com, which charges $25 per transaction.

3. LEAVING MONEY ON THE TABLE WHEN CHANGING JOBS

High earners who had more than one employer during the year, this one's for you. In 2014 each employer had to withhold 6.2% in Social Security taxes on the first $117,000 in income (the limit is $118,500 in 2015). "But that could lead the employers to withhold more taxes than you're required to pay," says Suzanne Shier, chief wealth planning and tax strategist for Northern Trust in Chicago.

Don't Get Tripped Up on Tuition

The $2,500 credit is worth more than the $4,000 deduction. What they mean for your wallet:

NOTES: Assumes couple are married, filing jointly, and in 25% tax bracket. Deduction is value for federal taxes only, not state. SOURCE: Ken Rubin, chair of the AICPA's Individual and Self-Employed Tax Resource Panel

Let's say you worked for Company A for half the year and earned $62,000, then moved to Company B and earned $70,000. Each company would withhold taxes on your total earnings, but you should have paid taxes on only $117,000, not $132,000, and you would have overpaid by $930.

Tax prep software *should* catch this one, but paper filers may get snagged. Luckily, it's an easy fix: "You can claim the money as a credit on line 71 of your 1040," says Shier.

4. BLANKING ON WHAT YOU SAVED

It's not uncommon to forget money socked away in an IRA the previous year, especially since your broker doesn't send you paperwork confirming contributions (IRS Form 5498) until after you file your taxes.

But if you forget to report a contribution to a traditional IRA and you qualify for a deduction—see IRS Publication 590-A—you will miss a break on your current taxes. If the contribution is nondeductible, you still need to file Form 8606 so that you don't pay income taxes on a portion of your withdrawals during retirement, notes Gretzschel. So call your brokerage to refresh your memory about 2014 contributions.

5. MISSING OUT ON MONEY BACK FOR YOUR HOME OFFICE

Moonlighters often opt to forgo the home-office deduction, both because it's a hassle to keep track of the paperwork and because they're worried about putting up red flags to IRS auditors.

As of last year, however, an alternative, simplified version of the write-off allows you to deduct $5 per square foot of office space up to $1,500 with no documentation whatsoever. Unlike the old method of calculation, no depreciation is taken on your home, which means the break will not affect capital gains when you sell, says Eric Bell, a CPA with Jones & Roth in Eugene, Ore.

6. OVERPAYING TAXES ON RETIREMENT DISTRIBUTIONS

People 70½ or older and retired are required to withdraw certain amounts of money from 401(k)s and IRAs each year. When you begin receiving distributions, you have the option to have income taxes withheld. Call it a senior moment, but retirees sometimes forget that they chose to have taxes taken out, says Gretzschel.

They don't look closely enough at the 1099-R forms and therefore don't input the taxes paid into their 1040. As a result, they could end up paying the taxes twice—and the IRS may or may not catch the mistake, Gretzschel says.

7. OVERLOOKING ONLINE LARGESS

There's been a big increase in online charitable giving, but many people forget to save emailed receipts as they do ones that come in the mail. "If you don't have an organized electronic life, it's hard to get receipts together," says Shier.

She recommends searching your email in-box for "gift" and "donation." If you are in the 28% bracket and discover $250 more in donations to report, you'll reap $70 in tax savings.

8. IGNORING THE WRITE-OFF THAT IS RIGHT IN YOUR HANDS

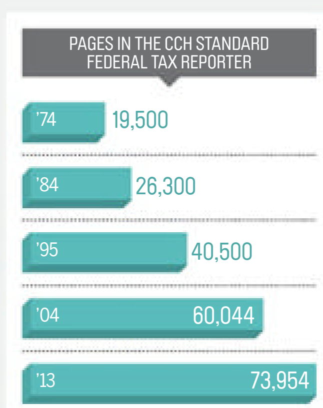
Those who itemize can write off certain investing and tax expenses—including tax-prep software, financial adviser fees, and rent on a safe-deposit box where you store securities—that exceed 2% of your adjusted gross income.

Bell says that those most likely to overcome the 2% hurdle on these "miscellaneous expenses" have modest income but a fairly large taxable portfolio that they pay an adviser to manage; many retirees who super-saved fit that bill. If you have an AGI of $100,000 and you have $5,000 in investment-adviser fees (equating to 1% on a $500,000 portfolio), you'll have to exclude the first $2,000, but can deduct the remaining $3,000.

While calculating your costs, don't forget that you can add subscriptions to professional publications, business magazines, and investing magazines—including the one you're reading now. ◘

Why It's So Easy to Make Mistakes

The tax code is long and complex—and getting longer and more complex by the year.



SOURCE: *Wolters Kluwer, CCH*

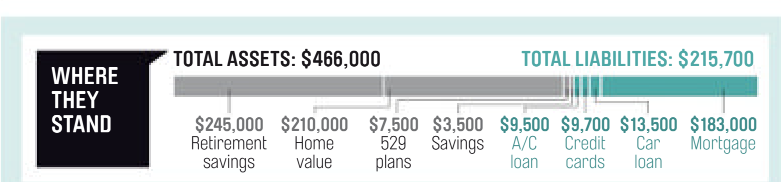
Their Goal: To Save More While Earning Less

by Paul Keegan

A TOO-TIGHT BUDGET "Lately we are living paycheck to paycheck," says Lonnie Roberts Jr. (right).

AS A NAVIGATION OFFICER on boats carrying supplies to oil rigs in the Gulf of Mexico, Lonnie Roberts Jr. is experiencing the downside of falling fuel prices. As oil companies look to preserve profit margins, Lonnie's employer cut back his pay 9% and eliminated the 4% match on his 401(k) in January. Even before that, Lonnie, 47, and wife Shawn, 45, felt behind on retirement. Now the Cedar Park, Texas, couple are especially anxious, knowing they need to find a way to live on less while building up their $245,000 nest egg.

With Lonnie on a boat for weeks at a time, Shawn gave up her job as an aesthetician to be home with Adison, 13, and Aiden, 11. So the family lives on Lonnie's now $127,000 salary, 7% of which goes into his 401(k) and 7% to buying company stock. After expenses, they don't have much left over, and their credit card balances have grown to $9,700. Something has to give. "To retire in 20 years," says Lonnie, "we know we need to make the right moves now."



FOUR FIXES

FREE UP CASH Chase Mouchet and Bryan Lee of Strategic Financial Planning of Plano, Texas, say the Robertses can trim $1,300 a month by eliminating impulse buys, putting off college savings, and being more economical. Also, Lonnie should sell his $3,700 in company stock, but keep buying at a 15% discount and selling right away (triggering almost no taxes) to generate $1,300 a year. Directing all this to the credit card, they should pay it off in five months.

BUILD IN A CUSHION Next priority: an emergency fund of five to seven months' expenses. Shawn is considering returning to work part-time. If she does, the added income ($1,600 a month after tax) would help them hit the goal in another eight months.

RETURN TO RETIREMENT Lonnie and Shawn can then max out his 401(k) and two Roth IRAs. Mouchet and Lee also advise putting $500 a month in taxable investments. (College savings will have to wait until their pay rises.)

BOOST RETURNS The Robertses have 80% of their nest egg in a variable annuity that's grown just 2% total in 10 years, partly due to fees of 3% a year. Instead, the planners suggest transferring the money to a new IRA invested in low-cost index funds, with 70% in stocks, 20% in bonds, 10% in real estate. In sum, these steps should allow Shawn and Lonnie to retire at 65 and 67. Says Shawn, "It's a relief to know we can do this."

WARDROBE STYLING BY ASHLEY HARGROVE; GROOMING BY KELSEY JAMES

Photograph by **LEAH OVERSTREET**

What to Do *Before* Filing for Divorce

HEADED FOR SPLITSVILLE? A LITTLE EARLY PLANNING CAN GO FAR IN PROTECTING YOUR FINANCES.

by Farnoosh Torabi

MARCH IS THE HOTTEST month for divorce filings, according to legal research database Westlaw—the peak of a rise that begins in January after the holidays are over and people's "new year, new me" resolutions kick into gear.

For those of you who see an end to your union in sight, taking some proactive measures can help you get your fair share of assets in the breakup and reduce your chances of getting socked with surprise debt. Plus, "you have the potential to save thousands in legal fees," says Lisa Decker, a certified divorce financial analyst in Kennesaw, Ga. Here's what to do before announcing you want out:

GATHER KEY DOCS

"Once divorce has been initiated—and if the relationship becomes adversarial—financial information can disappear or become difficult to access," says Carl Palatnik, a certified divorce financial analyst in Melville, N.Y. With that in mind, begin gathering copies of any documents that verify assets, liabilities, income, and expenses, like bank, brokerage, and retirement statements, tax returns, and property deeds—and the prenup, if you have one. This step can take three to six months, depending on how accessible documents are, adds Decker.

Having a paper trail saves stress and money. "You won't be captive to your spouse, hoping he or she will provide things to you," says Decker. Nor will you have to pay your lawyer to go after this info.

If you suspect your spouse is hiding assets or debt, keep an eye out for unusual withdrawals from existing accounts. And if envelopes from unknown banks or brokerages come in the mail, take photographs (rather than opening them); this evidence could give your lawyer ammunition to ask for records from that institution, says Decker.

BUILD CASH RESERVES

Ideally you want to have a year's worth of basic living expenses in a personal account prior to filing. If all your money is commingled and you have no way of opening your own account and making deposits without raising red flags, open a credit card with a low or introductory 0% interest rate.

This step is important because divorce proceedings could take six months or more—during which time you may have to find a new place to live and, if you're a stay-at-home parent, you could lose access to spousal support. Also, you'll need to lay out \$10,000 to \$20,000 for a retainer if you'll work with an attorney or financial adviser, says Decker.

SEVER CREDIT TIES

Finally, try to separate shared credit cards, says Palatnik. If your spouse is an authorized user on one of your cards, ask the issuer to remove the person since you could be held liable for any debt that's run up. If you're joint users, freezing the cards may be your best bet. But wait until right before the big announcement. Otherwise, the jig's up as soon as your spouse swipes.

Contributing editor Farnoosh Torabi is the author of When She Makes More. *Catch her columns and videos at Money.com.*

Illustration by CHRIS GASH

LONG-TERM CARE

Q Can my wife and I, 62 and 58, afford to self-insure for long-term-care costs? —BOB HYDE, *Flemington, N.J.*

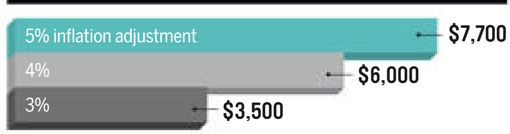
A You told us you have $2 million and no debt. Based on that, you should be able to self-insure without risking your retirement lifestyle, says **Tom Hebrank, a financial planner in Atlanta.** Even if you both need three years of nursing-home care—which might cost $500,000—your remaining portfolio could generate significant income.

LTC insurance *can* make sense for those with more modest savings that could be decimated by a health crisis. But coverage is pricey: A couple your age will pay $7,700 a year for a three-year, $150 daily benefit with a 5% annual increase.

It needn't be all or nothing, though. You could buy limited coverage—reducing the inflation adjustment slightly (see graphic), cutting the daily benefit, or buying fewer years of benefits—and plan to pay the rest from savings, Hebrank says.

Reducing the annual increase in benefits on a long-term-care insurance policy can dramatically reduce the cost.

ANNUAL PREMIUMS, BY INFLATION ADJUSTMENT, FOR A POLICY PROVIDING THREE YEARS OF $150/DAY BENEFITS



NOTE: For a 62-year-old man and 58-year-old woman. SOURCE: Tom Hebrank, CFP, Advanced Planning Solutions

SAVINGS BONDS

Q My mother has a $1 postal savings bond dated 1939. How much is it worth? —KATHY

A Congress established the Postal Savings System in 1911 to encourage immigrants who were used to saving via post offices in their homelands to stash their cash somewhere besides their mattresses. Although the program was in place until 1966, it stopped issuing savings bonds in 1935. So it sounds like you have a CD rather than a bond.

You can send a copy to the Bureau of the Fiscal Service for examination. But the historical value may be greater than the redemption value, says **Mckayla Braden, a senior adviser with the bureau:** "A lot of these instruments stopped paying interest by the 1940s." To see if the document is worth anything, find an appraiser specializing in historic certificates via appraisersassociation.org or look for similar documents on sites like Scripophily.com.

INVESTING

Q What forms do I need to file if I invest in foreign stocks in a Roth IRA? —TOM

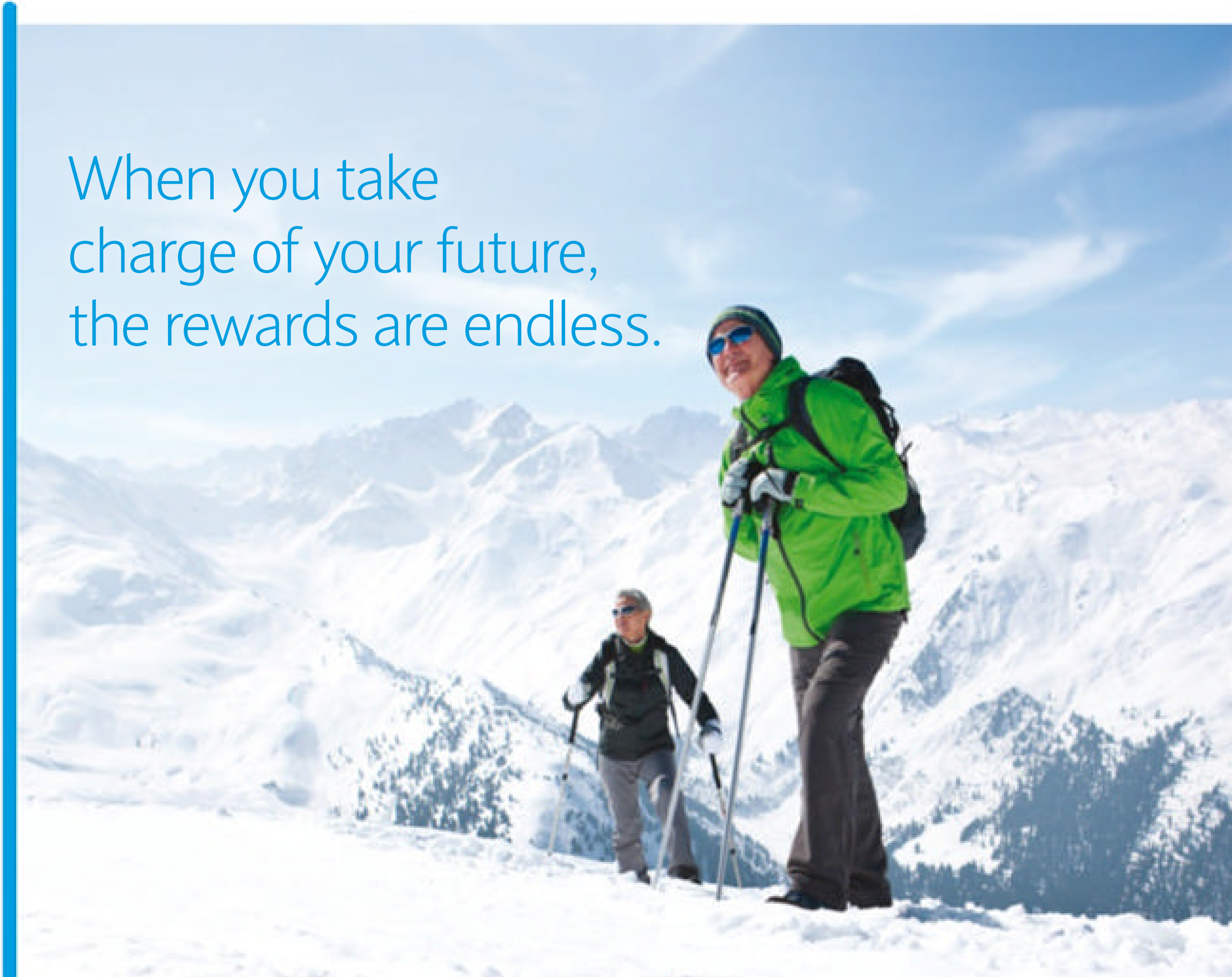
A Assuming you *can* buy stocks listed on foreign exchanges in your Roth IRA—policies vary by brokerage—you'll need to file IRS Form 8938 to report those assets, says **David Lyon, CEO of Main Street Financial in Chicago.**

You can avoid this paperwork by sticking with foreign stocks available to U.S. investors as American depositary receipts (ADRs). Most of the largest foreign companies have ADRs, which trade on U.S. exchanges and in U.S. dollars.

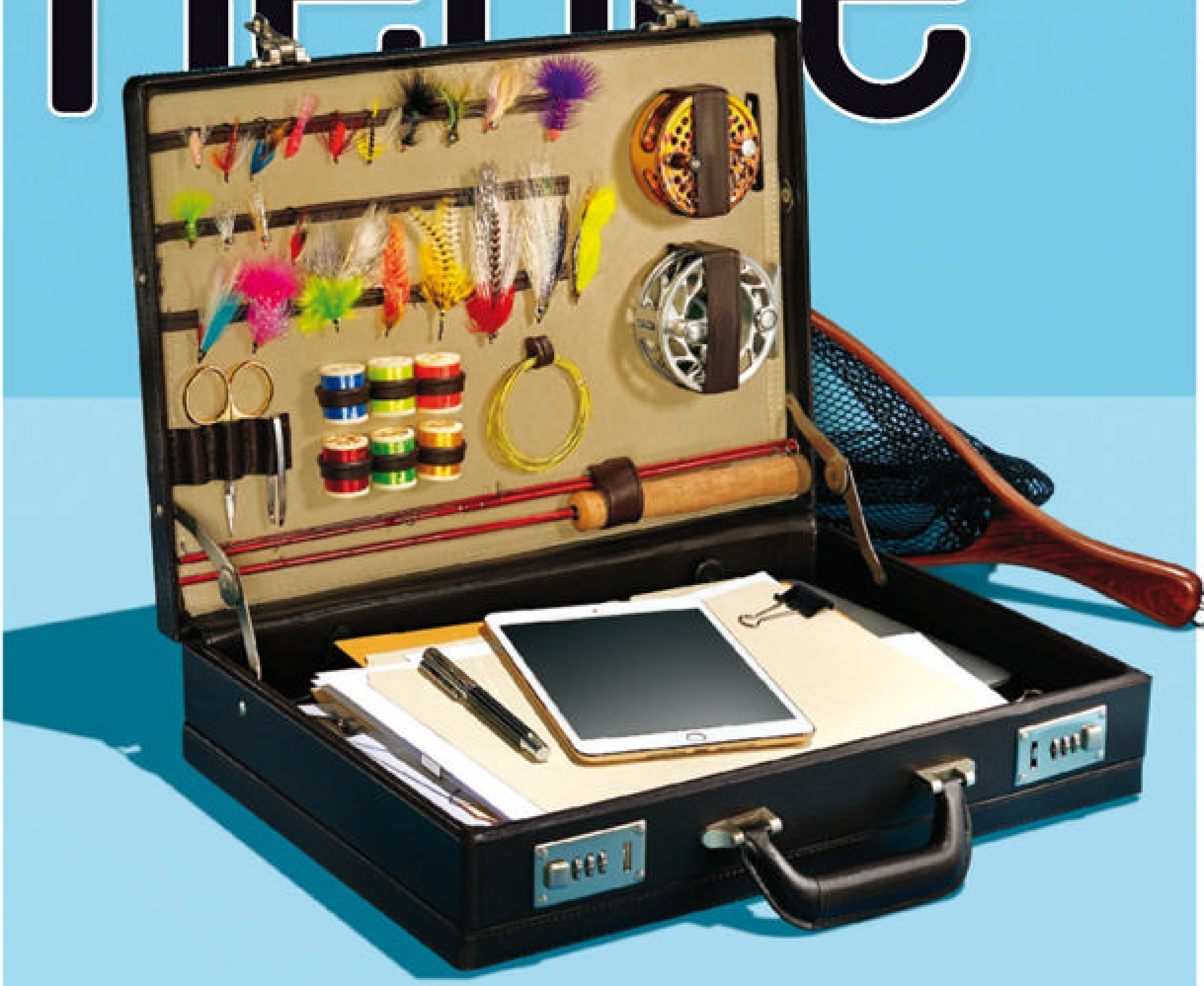
An even easier way to get foreign exposure? Via an exchange-traded fund or mutual fund that invests in international stocks. Lyon likes the broadly diversified **Vanguard FTSE All-World ex-U.S. ETF** (VEU). But if you prefer a targeted approach, you can find ETFs focused on one sector or one region. ■

By Donna Rosato and Sarah Max

Read more answers from Ask the Expert and submit your own question about your finances at ***money.com/expert.***


When you take
charge of your future,
the rewards are endless.

Retire



Ease Away From Work

HOW TO EDGE TOWARD RETIREMENT WITHOUT GIVING UP YOUR CAREER.

by **Penelope Wang**

THE YOUNGEST BABY BOOMERS have just turned 50, bringing retirement within sight for the entire generation. But many boomers don't expect to work at full throttle until the last day at the office. More than 40% want to shift gradually from full- to part-time work or take on less stressful jobs before retiring, a recent survey by Transamerica Center for Retirement Studies found.

It's a concept called phased retirement, and it's catching on. Last November the federal government okayed a plan to let certain long-tenured workers 55 and up stay on half-time while getting

PROP STYLING BY MEGUMI EMOTO

Photograph by ZACHARY ZAVISLAK

half their pension and full health benefits. Says Sara Rix, an adviser at AARP Public Policy Institute: "The federal government's program may influence private companies to follow their lead."

Formal phased-retirement plans remain rare (see graphic below). Informal programs are easier to find—roughly half of employers say they allow older workers to dial back to part-time, Transamerica found. But only 21% of employees agree that those practices are in place. "There's a big disconnect between what employers believe they are doing and what workers perceive their employers to be doing," says Transamerica Center president Catherine Collinson.

So you may have to forge your own path if you want to downshift in your career. Here's how.

RESIST RAIDING YOUR SAVINGS

Before you do anything, figure out what scaling back will mean for your eventual full retirement. As a part-timer, your income will drop. Ideally you should avoid dipping into your savings or claiming Social Security early, since both will cut your income later. If you're eligible for a pension, the formula will heavily weight your final years of pay. So a lower salary may make phased retirement too costly.

Cutting back your retirement saving, though, may hurt less than you think. Say you were earning $100,000 and split that in half from 62 to 66. If you had saved $500,000 by 60, and you delay tapping that stash or claiming Social Security, your total income would be $66,700 a year in retirement, according to T. Rowe Price. That's only slightly less than the $69,500 you would have had if you kept working full-time and saving the max until 66.

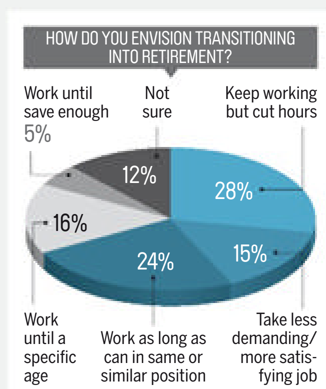
START AT THE OFFICE

If your employer has an official phased-retirement program, your job is easier. Assuming you're eligible, you might be able to work half-time for half your pay and still keep your health insurance.

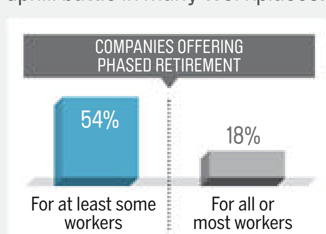
Then ask colleagues who have made that move what has worked for them and what pitfalls to avoid.

Easy Does It

Two out of five boomers would like to ease into retirement ...



... But cutting back is still an uphill battle in many workplaces.



SOURCES: *Transamerica Center for Retirement Studies, Families and Work Institute/Society for Human Resources Management surveys, 2014*

Devise a plan with your boss, focusing on how you can solve problems, not create new ones with your absence. Perhaps you can mentor younger workers or share client leads. "Don't expect to arrange this in one conversation—it will be a negotiation," says Dallas financial planner Richard Jackson.

Without a formal program, you'll have to have a conversation about part-time or consulting work. To make your case, spell out how you can offer value at a lower cost than a full-time employee, says Phil Dyer, a financial planner in Towson, Md.

Giving up group health insurance will be less of a financial blow if you are 65 and eligible for Medicare, or have coverage through your spouse. If not, you can shop for a policy on your state's insurance exchange. "Even if you have to pay health care premiums for a couple of years, you may find it worthwhile to reduce the stress of working full-time," says Dyer.

DO AN ENCORE ELSEWHERE

This wind-down could also be a chance to do something completely different. Take advantage of online resources for older job seekers, including Encore.org, Retired-Brains.com, and Retirement-Jobs.com. You can find low-cost training at community colleges, which may offer programs specifically to fill jobs for local employers. Or, if you want nonprofit work, volunteer first. Says Chris Farrell, author of *Unretirement*, a new book about boomers working in retirement: "It's a great way to discover what the organization really needs and how your skills might fit in."

Is This the Future of Retirement?

STATE GOVERNMENTS ARE STARTING TO STEP IN TO HELP WORKERS SAVE. HERE'S WHY THAT'S A GOOD THING.

by Penelope Wang

A RARE INNOVATION in retirement saving is taking shape right now in, of all places, Illinois. In January the state became the first to okay an automatic IRA for workers at certain small businesses that don't offer retirement plans. Those companies will be required to funnel 3% of their employees' paychecks into a state-run Roth IRA, though workers can opt out.

It may seem surprising that Illinois is breaking ground in this area—after all, the state's pension plans are among the worst funded in the nation. But Illinois is actually part of a broad movement. Some 30 states, including California and Connecticut, are developing similar savings programs. Says Sarah Mysiewicz Gill, senior legislative representative at AARP: "We're reaching a critical mass of states."

A LOCAL APPROACH

Why are states taking on retirement planning? Half of private-sector employees don't have an employer plan—a crucial tool for building a nest egg (see below). So states will face a huge drain on their budgets as workers with no savings reach retirement and need services such as Medicaid and food assistance. "If Washington were moving faster on this, the states wouldn't have to," says Illinois state senator Daniel Biss, who sponsored the new IRA.

No question, Congress has long dodged addressing the looming retirement crisis; it has failed to fix Social Security or create a federal automatic IRA, which President Obama proposed again in his most recent State of the Union address. Obama did introduce the myRA last year, which will allow savers without employer plans to put away as much as $15,000 in Treasury securities. But without auto-enrollment, the myRA's effectiveness will be limited.

The Illinois program may prove to be an appealing prototype. (First it will need approval by the Department of Labor and IRS.) Still, each state is crafting its own version. In Connecticut, the automatic IRA may be paid out as a lifetime annuity or in a lump sum. Indiana is looking at setting up a voluntary plan with a tax credit. "States are a great laboratory for experimentation," says Kathleen Kennedy Townsend, founder of Georgetown University's Center for Retirement Initiatives.

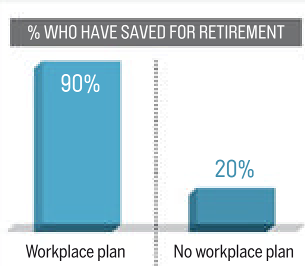
Of course, it's far from certain that state savings plans will make much headway—at 3%, Illinois's minimum contribution is far below the 10% to 15% of pay that retirement experts generally recommend. And a hodgepodge of state IRAs would be less efficient and more costly than a national plan.

That said, states can sometimes get it right. State-run 529 college savings plans have helped countless families with tuition bills. The Massachusetts health care plan was a model for the national plan that has meant coverage for millions. Perhaps the states' efforts will push retirement savings higher up the federal government's priority list. If Illinois can lead the way on retirement, anything's possible.

Editor-at-large Penelope Wang tweets about retirement at @PennyWriter.

You Need a Plan

Just having access to a retirement plan through work makes a huge difference in whether you save.



SOURCE: *Employee Benefit Research Institute, 2014*

The Trouble With Working Longer

EARNING MONEY AFTER YOU START COLLECTING SOCIAL SECURITY CAN BE A TAX HEADACHE. *by Philip Moeller*

THE QUESTION OF WHEN and how to file for Social Security is a tough one for many retirees—I've been regularly fielding questions on the topic on Money.com. Recently a reader wrote to say he'd like to draw Social Security benefits at age 66 yet keep working until 75. What are the tax implications?

When you continue to work and draw Social Security, your benefits are reduced temporarily if you're 65 or younger and your outside income exceeds certain levels. After 65, these reductions do not apply. You may, however, owe taxes on your Social Security income.

HOW EARNINGS CAN HURT

Not all of your Social Security income is taxable. Social Security uses a measure it calls "combined income" to determine how much of your benefit is taxable, and it can be tricky to understand.

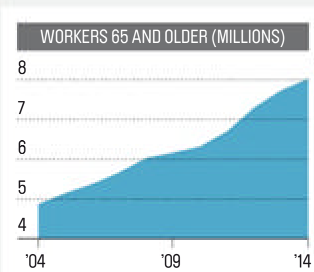
To determine your combined income, take your adjusted gross income (check last year's tax return), then add any nontaxable interest income and half of your Social Security benefit. (If you haven't started claiming, you can get a projection online by setting up an account at ssa.gov.)

If the total is less than $25,000 ($32,000 on joint tax returns), you owe no income taxes on your Social Security benefits. If the total is between $25,000 and $34,000 ($32,000 and $44,000 on joint returns), you may have to pay taxes on half of your Social Security that's over that threshold. Above that, 85% of your benefits may be taxable—the top rate.

Here's how that could play out. Take a retiree in the 15% federal tax bracket who is taxed on 50% of his Social Security. When he earns another $1,000, his so-called combined income rises by that much too, subjecting another $500 of Social Security income to taxes. So the tax bill on that $1,000 won't be $150 (15% of $1,000) but $225 (15% of $1,500), for an effective rate of 22.5%.

Working Late

The downside of earning money later in life may be higher taxes on your Social Security benefits.



SOURCE: *Bureau of Labor Statistics*

YOUR WORKAROUNDS

Beefing up your tax-free holdings, especially Roth IRAs, can mean money coming in that won't trigger more taxable Social Security income. (Working less lowers your tax bill too, but you're usually better off earning the money.)

If you can live on just your salary, deferring Social Security until age 70 also helps. Your taxes should be lower while you wait. And delaying benefits will increase your monthly Social Security payments by 8% a year (plus annual inflation adjustments).

HEDGING YOUR BETS

Single retirees should think about one other option: filing for and suspending Social Security benefits at age 66. By doing so you will be able to request a lump-sum payment for all the suspended benefits anytime until age 70.

Even the best of plans can change, so that payment could come in handy if you face an emergency cash crunch. But there's a downside: Once you request a lump sum, your payout will be valued as if you took benefits at 66, as will your regular monthly benefit going forward. ■

Philip Moeller, a research fellow at the Center on Aging & Work at Boston College, is co-author of Get What's Yours: The Secrets to Maxing Out Your Social Security.

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Fading, But Still Kicking

ETFs POSE A REAL THREAT, BUT MUTUAL FUNDS CAN STILL PLAY A KEY ROLE IN YOUR PORTFOLIO. *by* **Carla Fried**

IN MANY INDUSTRIES, new competition is disrupting the way business is conducted. Think department stores and cable television. Now the $12 trillion mutual fund industry is threatened too.

Since 2007, mutual fund assets have grown less than 50%, while the collective amount invested in exchange-traded funds—baskets of securities that can be traded like individual stocks—has more than tripled, to $2 trillion. Traditional mutual funds are suffering from the growing popularity of low-cost passive investing. Last year investors poured nearly 10 times as

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Photograph by ZACHARY ZAVISLAK

much money into index portfolios, which simply buy and hold all the securities in a sliver of the market, as they put into actively managed funds. And the vast majority of ETFs are index portfolios, many charging lower expenses than mutual funds.

Meanwhile, ETF-like investments could gain traction in the realm of active management. So far, few actively managed ETFs have been launched because the Securities and Exchange Commission requires them to divulge their holdings in real time—something stock pickers are wary of doing.

However, the SEC recently greenlighted an ETF-like vehicle that solves the disclosure problem. Exchange-traded managed funds, or ETMFs, will be required to reveal their holdings only a few times a year, like traditional mutual funds. Eaton Vance, which won approval for its NextShares ETMF structure and is licensing it to other money managers, expects to launch its first ETMFs this year.

Because ETFs and ETMFs are traded on an exchange and don't require back-office and marketing functions, they can charge less. Eaton Vance expects that on average a NextShares ETMF could cost about 0.63 percentage points less than a mutual fund version. So while the average actively managed mutual fund charges $133 a year for every $10,000 you invest, ETMFs may cost just $70 a year.

Still, mutual funds have been around for 91 years and aren't going the way of the dinosaur tomorrow. A big reason is that 401(k) plans, which control more than $4.4 trillion in assets, have yet to embrace ETFs. Until that happens—and until ETMFs arrive in full force—here are ways you can still put traditional funds to good use.

SATISFYING YOUR CORE STOCKS

When it comes to the bulk of your equity portfolio, it doesn't matter if you use index ETFs or index mutual funds as long as you pick a cheap option. "Low cost is low cost, period," says Dave Nadig, chief investment officer of ETF.com. Case in point: MONEY 50 pick **Schwab S&P 500 Index mutual fund** (SWPPX) charges 0.09% annually, the same as **SPDR S&P 500 ETF** (SPY).

Keep in mind, though, that not all index mutual funds charge rock-bottom prices (see chart).

FIXING THE BOND PROBLEM

MONEY has warned of the risks of putting all your bond money into traditional index funds and ETFs. Those portfolios are obliged to load up on what are now the most expensive parts of the fixed-income market: U.S. Treasuries and agency-backed mortgage debt that the Federal Reserve bought in droves to stimulate the economy.

Jeff Layman, chief investment officer at BKD Wealth Advisors, says his firm has switched from passive core bond funds to active managers, who have the leeway to diversify into less frothy parts of the market. With few exceptions, most actively managed high-grade bond portfolios are mutual funds. A good option is MONEY 50 pick **Dodge & Cox Income** (DODIX), which charges just 0.43% in annual fees.

FILLING A NICHE

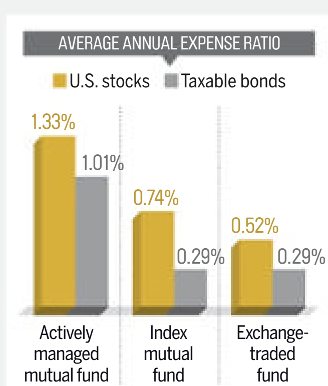
For narrowly focused assets, Samuel Lee, editor of Morningstar ETFInvestor, says you can find traditional mutual funds with deft active managers who have the flexibility to "avoid horrendous transaction costs." Surprisingly, some of these funds charge lower expenses than ETFs. For example, he prefers **Vanguard High Yield Corporate** (VWEHX), an actively managed fund that charges 0.23% a year, over SPDR Barclays High Yield ETF, which charges 0.40%.

Commodities are another area where mutual funds may make more sense. ETFs that invest in physical commodities or futures contracts are less tax-efficient than a regular fund that owns commodity-related stocks.

Collectively these investments represent just a minority of your overall portfolio. Still, it means the death of the fund may be exaggerated—for now. ■

Mutual Disadvantage

The rise of indexing and ETFs highlights the higher costs of actively managed mutual funds.



SOURCE: Morningstar

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Municipal Bonds Offer Three Big Advantages.

Advantage #1: The potential safety of principal.

If you're a prudent investor in need of investment income, you don't want to gamble with your precious nest egg. If you're nearing retirement or are already retired, you want to do everything you can to make sure your investments can support your retirement. That's why our free Bond Guide makes "must" reading.

Advantage #2: The potential for regular, predictable income.

When you invest in municipal bonds, you typically get interest payments every six months unless they get called or default. Because default rates for the investment-grade-rated bonds favored by Hennion & Walsh are historically low (according to Moody's 2012 research,*) you can enjoy a regular income stream in retirement. Please note that if a bond is called, any bond you may buy in the future with the proceeds, may earn more or less than the original called bond.

Advantage #3: The potential for tax-free income.

Good news! Income from municipal bonds is NOT subject to federal income tax and, depending on where you live, may also be exempt from state and local taxes.

About Hennion & Walsh

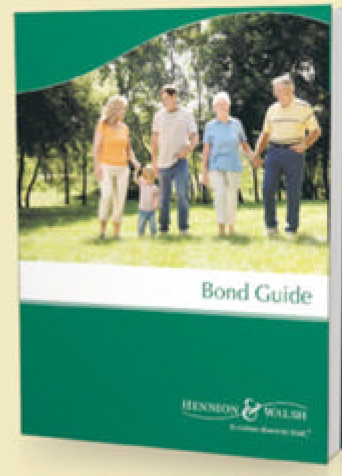
Since 1990, Hennion & Walsh has specialized in investment grade tax-free municipal bonds. The company supervises over $2 billion in assets in over 15,000 accounts and provides individual investors with institutional quality service and personal attention.

Dear Investor,

We urge you to call and get your free Bond Guide. Having tax-free municipal bonds as part of your portfolio can help get your investments back on track and put you on a path to achieving your investment goals. Getting your no-obligation guide could be the smartest investment decision you'll make.

Sincerely,

 Investing in bonds involves risk including possible loss of principal. Income may be subject to state, local or federal alternative minimum tax. When interest rates rise, bond prices fall, and when interest rates fall, bond prices rise. *Source: Moody's Investor Service, March 7, 2012 "U.S. Municipal Bond Defaults and Recoveries. 1970-2011." Past performance is not guarantee of future results.



Here's just some of what you'll learn . . .

Why municipal bonds may deserve a place in your portfolio. (Page 1)

Why insured bonds often provide an extra degree of security. (Page 2)

Why municipal bonds can potentially provide safety of principal. (Page 3)

How municipal bonds can potentially provide tax-free income. (Page 3)

Strategies for smart bond investing. (Page 4)

Municipal bond facts every investor should know. (Page 4)

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The Tech Sector's Secret Sprinters

FAST-GROWING HARES GET THE ATTENTION IN TECH, BUT SOMETIMES THE STODGY VALUE PLAYS WIN THE RACE.

by Paul J. Lim

TECH INVESTORS swing for the fences and often ignore price, hoping to get in on "disrupters" that can overturn an industry. Companies don't need profits to get steep valuations (see Twitter, Tesla, and Box). The mood now resembles that of the first dotcom era, which ended 15 years ago when the bubble burst in March 2000. But the lesson of that episode isn't just "don't go there." There were smart ways to buy tech in the 1990s. Price *did* matter, combined with two other factors: a catalyst or a financial cushion. The same is true now.

CASE 1: APPLE'S DECISIVE TURN

Today Apple is the world's biggest company, worth $683 billion. In 1997, though, Apple was a $3 billion computer maker bleeding market share. It traded at around six times earnings, vs. 20 for the S&P 500.

A cheap stock price wasn't enough to make it a deal. "In tech, you have to have some semblance of a catalyst, because investors sooner or later demand revenue growth," says Paul Meeks, a portfolio manager for Saturna Capital. His firm purchased Apple in 1998 at a split-adjusted price of $1.17, which it still owns today at $117.

Saturna couldn't have seen the iPod or the iPhone coming. Its catalyst was the return of Steve Jobs, which signaled an overhaul of how Apple did business. Jobs immediately negotiated his company's survival by getting a $150 million investment from rival Microsoft, and then jump-started research and development, which led to 1998's hit iMac.

CASE 2: CASH SAVES DELL

In the early '90s, PC maker Dell made big missteps, including a failed launch of notebook computers. At one point in 1993 the stock had lost two-thirds of its value. Dell still had a decent amount of cash on its balance sheet, though, allowing it to fight another day. That was key for Westwood Holdings' buy decision in 1993, says chief investment officer Mark Freeman. In 1997, Dell reached Westwood's target price with gains of about 1,700%.

BARGAIN HUNTING IN 2015

A cheap stock that passes both the catalyst and cushion tests today is the enterprise software giant **Oracle** (ORCL). Investors fear that new cloud-based services, which allow users to access software online, will eat into Oracle's business. That's held the stock at 13 times earnings. But Edward Jones analyst Bill Kreher argues that Oracle's own cloud push could be a catalyst, allowing the company to cross-sell more to its customers. This will "bolster ongoing maintenance revenues," he says. Meanwhile, Oracle has $40 billion in cash, a strong defense against would-be disrupters. ◘

Assistant managing editor Paul J. Lim is the author of three books on investing.

Illustration by TAYLOR CALLERY

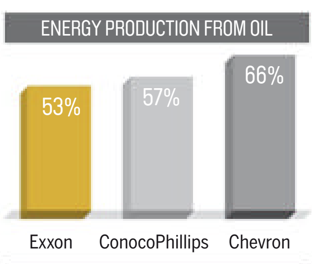
X-Ray: Exxon Mobil

ITS STOCK HAS WITHSTOOD THE GLOBAL OIL CRISIS—FOR NOW. *by Ryan Derousseau*

While consumers have delighted in plummeting prices at the pump, the same can't be said for Big Oil. Energy stocks have sunk 24% since last summer, when crude prices peaked before being cut in half. Shares of Exxon Mobil, though, have held up well, falling just 10%. That's because the country's biggest oil company has worked hard to diversify from drilling—to natural gas and businesses that benefit from falling oil prices, like refining. Yet some of those ancillary endeavors face their own challenges, and analysts don't expect oil to stay this low forever.

Surviving the Slide

Diversification has helped Exxon Mobil shares weather oil's fall.

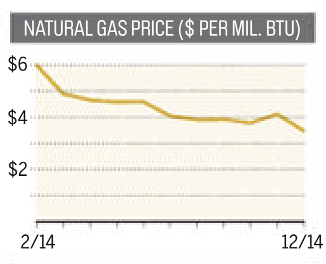


Exxon isn't immune to oil price fluctuations. As crude has slid to under $50 a barrel, the company has lost nearly $25 billion in potential net income over the past six months, according to Oppenheimer analyst Fadel Gheit. Yet the country's second-most-valuable corporation can take it. Unlike other oil giants, Exxon remains a big player in refining. The company also produces plastics from its oil. These businesses benefit from low oil prices and account for 22% of Exxon's profits. "If one business isn't doing well, the other side is," says Gheit.

Exxon also buys back a lot of its shares, letting it acquire competitors using stock without hurting existing shareholders. With oil sinking, many firms could be for sale, says Gheit.

A Different Crisis

Attempts to diversify into natural gas, though, have backfired.

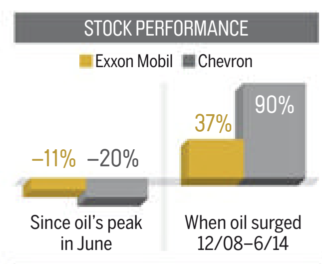


In June 2010, Exxon bought natural-gas producer XTO for $35 billion, in part to hedge against the possibility of a weak oil market such as this one. At the time, natural-gas prices were sinking because of the global financial panic, and XTO was willing to sell. Ever since the transaction, though, natural gas has continued to slide, and prices are now down 40% since the purchase.

Fracking technology has boosted natural-gas production faster than demand has grown, creating a supply glut that is expected to keep prices low for years. In response, Exxon has kept a lid on its own gas production. "So far the XTO deal hasn't paid the dividends they originally thought," says Edward Jones analyst Brian Youngberg.

The Rebound

While Exxon loses less when oil slides, it lags when prices recover.



Being a safe haven cuts both ways. When oil prices fall, diversification shields Exxon's stock. But when prices rebound, says Youngberg, Exxon shares will underperform.

Already, U.S. suppliers have begun slowing the growth of production. So global supply should begin to ease, pushing oil prices up modestly, analysts say. The U.S. Energy Information Administration forecasts that crude oil will rise to more than $55 a barrel this year, and Raymond James predicts that it could reach $75 a barrel next year. This is likely to boost shares of Exxon's oil-centric rivals like Chevron more. For conservative investors, that may be a small price to pay for peace of mind. And Exxon's dependable 2.9% dividend yield doesn't hurt either.

NOTES: *Energy production is based on liquid sources.*
SOURCES: *Edward Jones, company filings, EIA, YCharts*

PLUS
19 Skills That Will Put More Money in Your Pocket P. 62
How I Outsourced My Life P. 70

07 STEPS TO TOTAL FINANCIAL FITNESS

A six-year bull market, rebounding real estate prices, and improving job prospects have helped you get in better shape. Don't become complacent. Even dedicated exercisers have weak spots and bad habits. To raise your game, follow this plan.

BY KIM CLARK AND DONNA ROSATO WITH ISMAT SARAH MANGLA

PHOTOGRAPHS BY GREGORY REID


9999
GOLD
01
02
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07
Money

When you think about what kind of shape your finances are in nowadays, you may be feeling downright buff. Retirement plan balances are at record highs, home prices are back to pre-recession levels in most parts of the U.S., and the job market is the strongest it's been since 2006. No wonder Americans are more optimistic about their finances.

Given that, it's understandable that some bad habits may be creeping back into your routine. Americans, overall, are slipping into a few: Household debt is at a record high, fueled by an uptick in borrowing for cars and college and more credit card spending. Vanguard reports that investors are taking risks last seen in the pre-crash years of 1999 and 2007.

What's more, the financial regimen that's been working well for you of late may not cut it anymore. In this slow-growth, low-interest-rate environment, both stock and bond returns are expected to be below average for several years to come.

To pump up your finances in 2015, you need to shake up your routine. The seven-step plan that follows can help you do just that. Plus, we've added six quick workouts, inspired by the popular exercise plan that takes just seven minutes a day, that will push you to raise your game in no time at all. What are you waiting for?

01 SEE JUST WHAT SHAPE YOU'RE IN

EVEN IF YOU'RE a dedicated exerciser, you could be ignoring whole muscle groups, leaving yourself susceptible to injury. For example, 39% of people earning more than $75,000 a year wouldn't be able to cover a $1,000 unexpected expense from savings, according to a 2014 Bankrate survey. So the first step is to establish your baseline by asking yourself these questions.

How are my vital signs? Tick off the basics: Check your credit (see right), tally up your emergency fund (aim for six months of living expenses), look at how much you are contributing to your retirement plans, and get a handle on how you're splitting up your savings between stocks and bonds (see page 55).

02 FIND YOUR MOTIVATION

OKAY, YOU'VE CHECKED your vitals, and you're probably feeling pretty good about your starting point. According

PROP STYLING BY MEGUMI EMOTO; WARDROBE STYLING BY CHARLOTTE SIMS; GROOMING BY CLAUDIA ANDREATTA

Less than half of workers have tried to calculate how much money they'll need for retirement, EBRI's 2014 Retirement Confidence Survey found. Take five minutes to use an online tool that will show you if you're on track, such as the T. Rowe Price Retirement Income Calculator.

What's my day-to-day routine? The very first thing Rochester, N.Y., CPA David Young does with his clients is go over their spending. Budgeting apps, he notes, "make the invisible credit card charges visible" (see page 58). As important as the "how much" is the "on what," says Fred Taylor, president of Northstar Investment Advisors in Denver. Divide your expenses into the essential costs of living, investments in your future (savings, education, a home), and the discretionary spending you have the flexibility to cut.

Am I juicing my finances too much? In other words, how toxic is your borrowing? Your total debt matters. But the kinds of debts you have and the implications for your future are crucial too, says Charles Farrell, author of *Your Money Ratios* and CEO of Northstar. As a young saver, you shouldn't be worried about high debts due to a house and education, Farrell says, as long as you can handle the payment, will be debt-free by your sixties, and are using debt only to fund investments in a low-cost or high-earning future, such as a low-maintenance home or new job skills. Farrell suggests in your twenties and thirties you should limit total mortgage debt to less than twice your family income. In your fifties, you should have a mortgage no higher than what you make. At any age, total education debt should not exceed 75% of your pay.

READER MOVE: *HOW I MADE A BUDGET*

I laid out every payment I made last year in a spreadsheet. Now I have a very precise idea of what I should budget for in 2015.

—BOB CORWIN, PUNTA GORDA, FLA.

What's my biggest weak spot? You need to guard against familiar risks, like insufficient insurance (see page 60). But David Blanchett, head of retirement research for Morningstar, says you should also think about less obvious threats. Will new technology put your livelihood at risk? Are you counting on a pension from a financially shaky firm? Do you live in an area, such as Northern California, where home values hinge on the success of one industry?

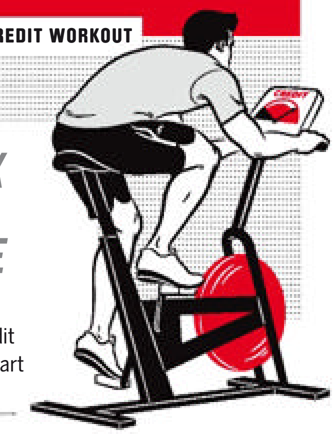
to Gallup's annual Personal Financial Situation survey, 56% of people in households earning $75,000 or more say they are better off financially now than they were a year ago, up from 44% who felt that way in January 2014.

But just as even the most devoted gym-goer can get complacent, your financial confidence could stop you from reaching the next level. "In good economic times people save less and spend more," says Dan Geller, a behavioral finance expert and the author of *Money Anxiety*. Keep the eye of the tiger even when you're doing great.

Make a specific goal. When you show up at the gym without a plan, there's a good chance you'll shuffle on the treadmill for a half-hour and call it a day. Your financial life is no different. To boost your performance, start by zeroing in on a goal. A study by Gail Matthews, a psychology professor at Dominican University, found that you're 42% more likely to achieve your aims just by writing them down. Indeed, people with a written financial plan save more than twice as

7-MINUTE CREDIT WORKOUT

CHECK YOUR SCORE



Grab a credit card and start the clock.

0:00
There's only one legit site to get your report: annualcreditreport.com. Click "Request yours now!"

0:07
The form is super easy: Enter your name, date of birth, Social Security number, and address. (Don't worry: Using your SS is safe here.)

1:03
When you're finished, hit "next" to pick which reports you want. You're eligible for one free report per year from each of the three agencies, Equifax, Experian, and TransUnion. Opt for just one for now.

1:55
Next, verify some personal info. The questions vary, but expect to confirm details like names of previous employers or your bank.

2:02
Hit submit and presto: your credit report, with pages of information on your borrowing and credit history. Save a copy to scan for errors later.

3:00
Now you're ready to get your actual score. Some card issuers, including Citibank and Discover, offer it free, so start there.

3:37
No luck? Surf over to myfico.com, where you can buy it for $20. Pick "FICO standard" and check the box next to the agency you picked for your credit report. See that promo code box? Google "myfico promo code." Enter the best discount you find: We snagged 20% via retailmenot.com.

4:51
Check out and you'll be prompted to create a profile.

6:30
Fill in your credit card info, hit "submit," and there's your credit score.

ILLUSTRATIONS BY BEN MOUNSEY

much as those without a plan, says a Wells Fargo survey. The more specific the goal, the easier it is to tackle. Rather than plan to "cut costs," focus on, say, paying off your mortgage five years early.

Buddy up. Much as a workout partner provides motivation to get to the gym, recruiting a family member or friend to hold you accountable is a good way to stay on track. In another study by Matthews, some participants shared their goals with a friend via weekly updates—achieving their aims 33% more often than those who did not.

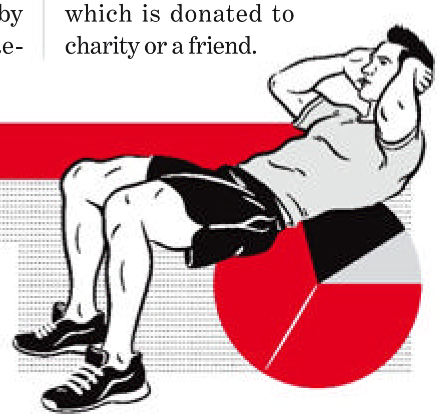
Get a nudge. Sometimes you just need a reminder. A study by the Center for Retirement Research found that bank account holders who got reminders about their savings goals put away more cash than people who didn't. It's easy to set recurring calendar reminders on your PC or phone, or try a service like FollowUpThen.com, which lets you schedule emails to your future self.

Stickk it. Need something with more teeth? The website Stickk.com allows you to pledge a sum of money toward a goal, sign a commitment contract, and pick a friend to monitor your progress. Achieve your aim, and you get the money back. Miss it, and you lose the money, which is donated to charity or a friend.

READER MOVE:
HOW I FIXED MY MIX

I switched my investments from 60% stock and 40% bonds into 60% bonds and 40% index funds. As a result, I'm seeing pretty steady growth and fewer wild days with huge fluctuations.

—LARRY PACE, OAK ISLAND, N.C.



7-MINUTE PORTFOLIO WORKOUT

PERFECT YOUR INVESTMENT MIX

Here's your warm-up: Dig out statements for all your investment accounts—401(k), IRA, spouse's 401(k), old 401(k), any brokerage accounts.

0:00
If you don't already have a target allocation for your age and risk tolerance, steal one from the pie charts at T. Rowe Price's Asset Allocation Planner. Or take one minute to fill out Vanguard's mutual fund recommendation tool. You'll get a list of Vanguard index funds, but you can use the categories to shop anywhere.

2:00
At Morningstar.com, find "Instant X-Ray" under Portfolio Tools. Enter the ticker symbol of each fund you own, along with the dollar value. Oops. Your 401(k) has separately managed funds that lack tickers? Use the index fund that's most similar to your fund's benchmark (this could result in a 10-minute delay).

5:10
Clicking "Show Instant X-Ray" will give you a full analysis, including a detailed stock/bond allocation, a geographic breakdown of your holdings, and your portfolio's overall dividend yield and price/earnings ratio.

5:50
Look deeper to see how concentrated you are in cyclical stocks, say, or tech companies—a sign you might not be as diversified as you think or taking risks you didn't even know about.

03

WORK ON YOUR CORE

THE KEY TO lifetime fitness is a powerful core—strong and flexible abdominal and back muscles that help with everything else you do and protect against aches and injuries as you age. In your financial life, your core is your long-term savings, and strengthening it is simple: Settle on the right stock/bond mix, favor index funds to keep costs low, fine-tune your approach periodically, and steer clear of gimmicks such as "nontransparent ETFs" or "hedge funds for small investors"—Wall Street's equivalent of workout fads like muscle-toning shoes.

Push yourself when you're young. Investors 35 and under seem to be so concerned about a market meltdown that they have almost half their portfolios in cash, a 2014 UBS report found. Being too conservative early on—putting 50% in stocks vs. 80%—reduces the likely value of your portfolio at age 65 by 30%, according to Vanguard research. For starting savers, 90% is a commonly recommended stock stake.

Do a U-turn at retirement. According to Wade Pfau of the American College and Michael Kitces of the Pinnacle Advisory Group, you have a better shot at a secure retirement if you hold lots of stocks when you're young, lots of bonds at retirement, and then gradually shift back to stocks. Their studies found that starting retirement with 20% to 30% in stocks and raising that by two percentage points a year for 15 years helps your money last, especially if you run into a bear market early on.

04

BULK UP YOUR SAVINGS

IT'S BEEN A great ride. But the bull market that pumped up your 401(k) over the past six years won't last forever. Indeed, as of early February the market was down so far this year. Stocks should gain an annualized 7% over the next decade, while bonds will average 2.5%, says the latest outlook from Vanguard—the firm's most subdued projections since 2006.

While you can't outmuscle the market, you do have one power move at your disposal: ramp up savings.

Find your saving strategy. So how much should you sock away? This year Pfau launched Retirement-Researcher.com, a site that tests how different savings strategies fare in current economic conditions. He found that households earning $80,000 or more must save 15% of earnings to live a similar lifestyle in their post-work years. While that assumes you're saving consistently by 35 and retiring at 65, it does include your employer match, so in reality, you may be pitching in only 10% or so.

If you weren't so on top of it by 35, you have a couple of options: Raise your annual number (Pfau puts it at 23% if you start at age 40) or catch up by saving in bursts. Research firm Hearts & Wallets found that people who boosted savings for an eight- to 10-year period (when mortgages or other big expenses fell away) were able to get back on track for retirement.

Think income. New data show that people save more when they see how their retirement savings translates into monthly income, says Bob Reynolds, head of Putnam Investments. The company found that 75% of people who used its lifetime income analysis tool boosted their savings rate by an average of 25%. To see what your post-work payments will look like, check out Putnam's calculator (you must be a client to use it) or try the one offered by T. Rowe Price.

Take advantage of windfalls. Don't let all your "found money" get sucked into your checking account. Instead, make a point to squirrel away at least a portion of bonuses, savings from cheap gas, FSA reimbursements, and tax refunds. Eight in 10 people get an average refund of $2,800; use it to fund your IRA by the April 15 deadline, says Christine Benz of Morningstar.

Free up cash. Interest rates remain low. If you're a refi candidate, you may be able to unlock some money that could be better used. (See The Big Number, page 17.) Tom Mingone of Capital Management Group of New York suggests using your refi to pay off higher-rate debt. Say you took a PLUS loan (now fixed at 7.21%, though many borrowers are paying more) for your kid's tuition: Pay that down.

READER MOVE:
HOW I SAVED MORE

I paid off my student loans and refinanced my mortgage in 2014. Now I'll save that extra money and grow my emergency fund.

—E. KING, VIA FACEBOOK

7-MINUTE SPENDING WORKOUT

FIND BARGAINS ONLINE

Buying on the web is convenient—maybe a little too convenient! Using smart apps and browser add-ons will help you score deals.

0:00
Surf to getinvisiblehand .com. This browser extension scours the web for the best price on whatever item you're looking at online.

0:33
Adding it is simple. Scroll to "Download Now," and in two clicks InvisibleHand pops into your bookmarks bar.

1:03
Take it for a spin. Recently, by scrolling to an HDTV on BestBuy.com and clicking on the yellow InvisibleHand banner at the top of the page, you would have seen links to five other sites selling the TV for less.

3:06
Head to TrackIf.com, a site that monitors price changes on millions of products. Click "Install TrackIf."

3:49
Skip the lengthy explanation video and try it out yourself. Use the "TrackIf" button to see a three-month pricing history of any item and request an email if the price drops.

5:58
Grab your smartphone and search for "PriceGrabber" in the app store. This app lets you scan barcodes when you're out shopping and see comparisons on in-store and online prices.


THE ULTIMATE FINANCIAL FITNESS DRINK
Money
KNOW-HOW
100% MEGA WEALTH
PUMP UP YOUR PORTFOLIO
TRIPLE YOUR SAVINGS
PURE RETIREMENT BUZZ!
INCREASE YOUR FINANCIAL MUSCLE MASS

05

BURN THE FAT

EVEN IF YOU hit the gym regularly, you can probably still pinch an inch here and there.

Your spending, too, is bound to have a little flab. But here's the good news: If you haven't combed through your budget in a while, you may be surprised to discover how new technologies, shifting business models, and other recent developments can help you find more money to save.

Join the sharing economy. Are there any big-ticket items you could get away with renting rather than buying? For instance, maybe now that the kids are in college or you've retired you could do without that second car, which, according to AAA, costs almost $9,000 a year to own and operate. Consultancy AlixPartners found that by 2020 more than 1 million families will use car-sharing services to avoid buying a second ride. In some areas, Zipcar and Enterprise Car Share charge less than $50 a day for fully insured cars with gas, while a one-way car-pooled ride with Uber or Lyft can cost as little as $2.25.

For vacations, how about trying a home-swapping service such as Intervac or HomeExchange.com to chop that hefty hotel bill? Then there's the pricey item you need only once or twice. Rent that fancy camera from BorrowLenses.com or see if your area has a tool-lending library where you can borrow a rototiller or other item for free.

Take a "financial health" day. To cut regular expenses such as cable, phone, or insurance bills, set aside a few hours to compare rates from different firms or to ask your current provider for a discount, says Joe Ridout of advocacy group Consumer Action: "A lot of companies rely on your inertia to keep business they no longer deserve."

To really dig in, take a day off to devote to haggling with insurers, banks, and more. Robert Brokamp, a financial planner and writer for Motley Fool, persuaded his firm to set aside a day for employees to deal with finances. "A lot of these things have to be done during work hours," he says.

Tap technology. Sites and apps that monitor your spending are great for catching expenses that could fall through the cracks. BillGuard, for one, flags mistaken or duplicate charges and allows you to challenge them right from the app.

Technology can also help rein in impulse purchases and find deals on the things you do buy. To avoid the daily deluge of online shopping temptations, use Unroll.me to pull all retailer emails into a single message. Out in the real world, try the GroceryIQ app before you hit the market. Create a shopping list using the app and it will search for coupons for those specific items. Finally, gas may be cheap, but don't just fuel up willy-nilly; use an app like GasBuddy to get the best price possible.

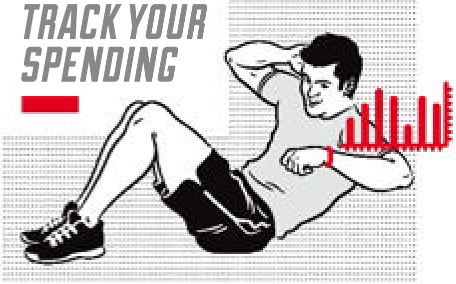
READER MOVE:
HOW I CUT MY BILLS

I dropped my cable company and started watching television online.

—CHRISTINE FILIPOVICH, VIA FACEBOOK

7-MINUTE BUDGET WORKOUT

TRACK YOUR SPENDING



Seven minutes is a little tight to create a budget, but it's enough to tackle the first step: pulling together all your spending info using Mint. You'll need your credit and debit cards to get started.

0:00
Surf to Mint.com and register for a free account.

0:42
Mint asks for your credit card providers and bank. As you type in each one, a list of possible matches will pop up. Select the right one and enter the online login and password you use for that account. (Mint is a secure site and cannot get to your money.)

3:02
Mint will need a minute to pull in all of your transactions, which it automatically slots into categories like "Cellphone" and "Groceries." Problem is, the app doesn't always get it right. To fix that, click the "Transactions" tab.

3:34
See those "uncategorized" charges? You can select them to choose a correct label. This is pretty tedious, so tick the box that says "always re-categorize X as Y." That way, Mint will put all future transactions from that retailer in the right place.

5:02
When you did that, you probably also noticed some charges Mint tried to identify but placed into the wrong bucket. Scroll through those and correct them the same way.

6:30
Grab your phone and download the Mint app. Having the program handy will help you keep on top of charges.

7:00
Now you're ready to click the "Budgets" tab and create a spending plan.

06

SWITCH UP YOUR ROUTINE

WHEN YOU HIT a fitness plateau, taking a new class or picking up a sport can be the key to breaking through to the next level. The same concept applies to your career. Landing a new job will likely result in a salary 18% to 20% higher than what you'd get via an internal promotion, according to a study by Wharton professor Matthew Bidwell.

Thanks to a rapidly rebounding job market, this is the best year since the recession to get a new gig. More than one-third of employers expect to add full-time employees in 2015, according to CareerBuilder's annual job forecast, up from one in four last year. Here's how to stand out.

Get the inside scoop. Employee referrals generate a full 40% of new hires, according to the JobVite 2014 Recruiting Survey. So rather than scouring the job boards, talk to people you know and ask about openings at their firms. Love a certain company but don't know anyone there? Reach out to your personal network or tap your LinkedIn contacts to see if anyone can connect you to an employee.

Make yourself poachable. Employers are increasingly courting passive job seekers, says John Hollon, editor of TLNT.com, which covers HR trends: "These are employed workers who may be willing to switch jobs but aren't actively searching." Recruiters like these candidates because they're successful and valued at their current jobs. Interested? Get on hiring managers' radar by peppering your LinkedIn profile with keywords related to the type of job you want (see box below for more). You can also sign up with the website Poachable, and get the Poacht app. List your dream job and résumé for recruiters to browse.

Be bold. That said, maybe you love your job or just can't move right now. That doesn't mean settling for a middling raise. While the biggest bumps do go to top performers, simply asking goes a long way. A new study from Payscale found that 75% of employees who requested an increase got one, with 44% landing the exact figure they asked for. The odds of receiving your requested amount are even better if you're already a high earner: Those with a salary of $150,000 or more had a success rate of 70%. Before you ask, get a sense of the budget. You have more influence when you show you see the boss's side, says career coach Lee Miller.

READER MOVE:
HOW I'M IMPROVING MY 401(k)

I joined the 401(k) committee at work and made two proposals: adding target-date funds and a Roth 401(k) option to our plan.

—STEPHEN PINTAR, GREENDALE, WIS.

7-MINUTE CAREER WORKOUT

FLEX YOUR LINKEDIN MUSCLES

Your profile is 14 times as likely to be viewed if it has a picture. So find a professional-looking photo and upload it to your computer before you start the clock.

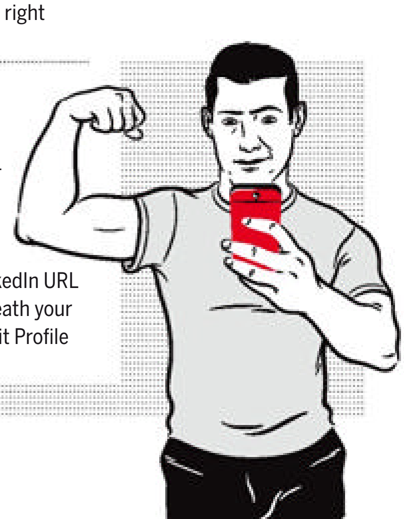
0:00
Log in to your LinkedIn account and select "Edit Profile." Click on "Add Photo" to upload the pic you've selected. You'll see a yellow square that you can drag to change the position and size of the picture. Make sure you're centered and hit save.

1:05
By default, LinkedIn uses your job title as your profile headline. Instead, write your own bold wording. Stumped? When you highlight the field to change it, LinkedIn lets you peek at what others in your industry are using.

2:34
Check out your profile summary. Are you hitting all the keywords you'll need to show up in recruiter searches? Take a minute to scan some job descriptions in your profession to make sure you're using the right language.

5:00
Nothing says LinkedIn novice like an alphabet-soup URL. Create a custom version by clicking the LinkedIn URL listed right beneath your photo on the Edit Profile page. You'll be transported to the Public Profile page, where you can create your own. Stick with something simple, like your name.

5:35
Bulk up your recommendations—politely. Write a sincere post for one of your contacts, and then email asking if she'd mind doing the same.



07

LOSE 10 POUNDS ... AND NOT JUST FOR YOUR WAISTLINE

YOUR PHYSICAL HEALTH and your financial health go hand in hand, especially as rising deductibles and increased cost sharing leave you on the hook for more expenses when you get sick.

Plus, your pocketbook takes a hit when you're overweight: The annual cost of carrying extra pounds—including medical expenses, sick leave, and even gas for the car—is $524 for women and $432 for men, according to a 2010 study by the George Washington University School of Public Health and Health Services. And Fidelity estimates that a couple who retire in good health will spend 20% less on medical care than a couple in poor health will.

You know what helps: exercise, sleep, a healthy weight, and regular checkups. Here's how to make it easier to do the right thing.

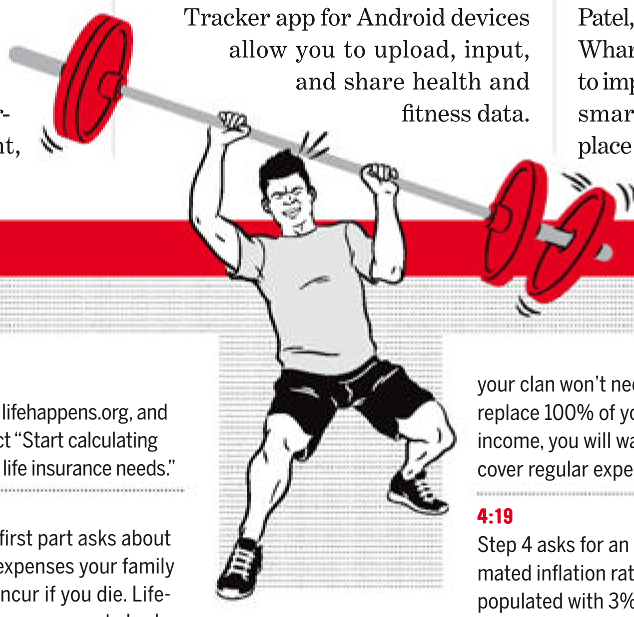
Don't pass up freebies. Under Obamacare, annual physicals and a long list of valuable preventive care, from cholesterol tests to colonoscopies, are fully covered by insurance, with no out-of-pocket costs.

Be your own doctor. Not quite, but tech has made staying on top of your health easier—especially important with a chronic condition such as high blood pressure. The Health app that's part of the new Apple operating system unveiled last fall and the Health Tracker app for Android devices allow you to upload, input, and share health and fitness data.

Let your scale motivate you. University of Minnesota researchers found that dieters who weighed themselves daily lost an average of 12 pounds in two years; weekly scale watchers lost only six. The once-a-day group was also less likely to regain the weight. Need help? Our sister publication, CookingLightDiet.com, offers healthy-eating customized meal plans.

Make tracking a no-brainer. People who count their steps are more motivated to work out. But the novelty of fitness trackers like the Fitbit can quickly wear off. More than half of owners stop using them, a recent University of Pennsylvania survey found; a third bail within a month.

If that's you, add a tracking app such as RunKeeper or Moves to your phone instead. "Many people carry smartphones everywhere," says Mitesh S. Patel, an internist and researcher at the Wharton School. "If we really wanted to improve the health of the population, smartphone trackers are an easier place to start."



7-MINUTE INSURANCE WORKOUT

MAKE SURE YOU'RE FULLY COVERED

You'll need some financial info for this one. Pull together an overview of your investments, what you owe on your mortgage, the amount of life insurance you currently have, as well as saving and debt numbers.

0:00
Visit lifehappens.org, and select "Start calculating your life insurance needs."

0:21
The first part asks about the expenses your family will incur if you die. LifeHappens suggests budgeting $15,000 or 4% of your estate. A funeral typically costs about $10,000, so if you won't leave major debts, $15,000 is fine.

2:30
Next, you'll calculate the money your family would need if you died today, and how much your spouse might earn. While your clan won't need to replace 100% of your income, you will want to cover regular expenses.

4:19
Step 4 asks for an estimated inflation rate (pre-populated with 3%) and after-tax net investment yield (pre-populated with 6%). To be more conservative, decrease the yield.

5:00
Now the site will spit out a suggested amount of coverage. This is a good starting point but may miss some details. Say you'd like to cover a portion of your kid's tuition; the calculator doesn't allow for partial payment.

5:59
Go to intelliquote.com for instant quotes on term-life policies from a range of insurers. (Don't be surprised if you get some sales calls.)

DON'T WEIGH YOURSELF EVERY DAY

BONUS STEP!

CLOSELY MONITORING your progress may help with an actual fitness plan. For financial fitness, it's better to lay off looking at how you're doing. A growing body of research finds that well-diversified investors who check their balances infrequently are more likely to end up with bigger portfolios, says Michaela Pagel, a finance professor at Columbia Business School. One reason: Pagel says savers who train themselves not to peek are more likely to invest in stocks. And research by Dalbar finds that investors' tendency to panic sell in bear markets has cut their average annual returns to 5% over the past 20 years, while the S&P 500 earned 9.2%.

Change your mindset. Settle on a stock/bond mix, and keep investment costs low. When you have the urge to sell, remind yourself that your time horizon is at least 20 years, says Eric Toya, a financial planner in Redondo Beach, Calif. "Outcome-oriented investors agonize over every up-and-down whim of the market and make poor timing decisions," he says. "If your process is sound, you don't need to panic."

Put your energy into what really matters. Once you're in good shape moneywise, don't lose sight of why you're working out. Numerous studies have found that once you have enough income to cover a moderate lifestyle, spending money won't make you happier. Spending your time well will. Notes Tampa financial adviser Holly Thomas: "Where you wake up. The things you do. The people you spend time with. These lead to more experiences of happiness than anything you buy." That's a plan you can stick to.

19 SKILLS THAT WILL PUT MORE MONEY IN YOUR POCKET

Some of the best investments you can make aren't financial. Master these techniques and secret shortcuts to earn more on the job, cut down needless costs, and grow your wealth over a lifetime.

BY DANIEL BORTZ AND SUSIE POPPICK

ILLUSTRATIONS BY ***BEN MOUNSEY***

SKILLS THAT

MAKE YOU MONEY

KNOW THE SECRETS OF CAREER NINJAS

❒ MASTER THE MEETING
The average pay bump from a promotion for managers or upper-level executives is 7% or more, according to Mercer. But how do you get one? "The meeting room is where we exert leadership and develop credibility," says corporate trainer Dana Brownlee of Professionalism Matters. Don't dominate—nudge the group toward concrete goals. If someone can't let go of a point, try saying, "Good idea! I'm writing it down." You've now freed a room of grateful co-workers to move on.

❒ EXCHANGE FAST FAVORS
Research by Adam Grant at the Wharton School has shown that successful people do more favors at work. But don't be afraid to ask for tiny favors too. We may feel more warmly toward people *after* lending them a hand—our brains figure we must have done so because we like that person. It's been called the Benjamin Franklin effect: The Founding Father recalled winning over a legislative rival after borrowing a book from him. "Our attitudes often follow our behavior instead of vice versa," says David McRaney, who writes about such psychological quirks in his book *You Are Now Less Dumb*.

GET TECHY

Computer-science grads earn $700,000 over the average BA holder in a career, but those of us with English and psych degrees aren't out of luck. Learn new tech tricks to leverage skills you already have.

EASY

Google better. Seriously. Say, for example, you need stats about a product's market share: Use "OR" (in caps) to Google for different words that might capture the same thing (like "percent" and "proportion"). And check the image search results: The data you need may be in a chart someone has posted. Go to support.google.com/websearch for more power tips.

INTERMEDIATE

If there's any need to quantify your business's activity, being the office Excel guru makes you valuable. Two skills to focus on: building charts (great for presentations) and pivot tables (to summarize lots of data). The ExcelIsFun YouTube channel is loaded with lessons.

ADVANCED

Want to compete with true techies? Codecademy.com can get you started for free learning code for building websites. Expertise in Ruby on Rails—certification testing is $150—snags an average salary of $110,000, says data crunched by qz.com.

PICK THE RIGHT LANGUAGE

It's easier than ever to dip a toe into languages with free tools like Duolingo, a site and app that make learning like a game. If you then want to ramp things up, real-world classes run about $300 for 20 hours of instruction. Invest your time and money wisely: The payoff is in less commonly studied languages. A Wharton/LECG Europe study found that speaking German translated into a higher wage premium than for second languages overall. Ambitious? There's a big market for Mandarin.

PHOTOGRAPH BY AP IMAGES

(No-frills rules for business)

WRITE BETTER

A clear, unfussy writing style will get your ideas heard at work. (HR pros ranked writing second, behind only computer aptitude, among skills applicants most often lacked.) Harvard professor Steven Pinker, author of the new book The Sense of Style, *gave us these tips for better writing.*

1 *AVOID FANCY WORDS YOU DON'T NEED OR UNDERSTAND.* "Fulsome" (as in "fulsome praise") does not mean full; it means insincere. If you use hoity-toity words to sound posh, you will look pompous and may say the opposite of what you mean.

2 *CUT UNNECESSARY WORDS.* John Kerry once said, "The President is desirous of trying to see how we can make our efforts in order to find a way to facilitate." What he meant was, "The President wants to help." Much better.

3 *REVISE.* And better still, show it to someone. What's clear to you may not be clear to someone else.

GET SOCIAL WITH YOUR CUSTOMERS

If you run a business or work in marketing, social media like Twitter seem like a great way to get your message out. But remember that users have zero interest in following companies that clutter their feed with ads. Use social to establish your expertise or spark ideas; then when people are in the market for what you sell, they'll remember you. An example from Hannah Morgan, co-author of *Social Networking for Business Success:*

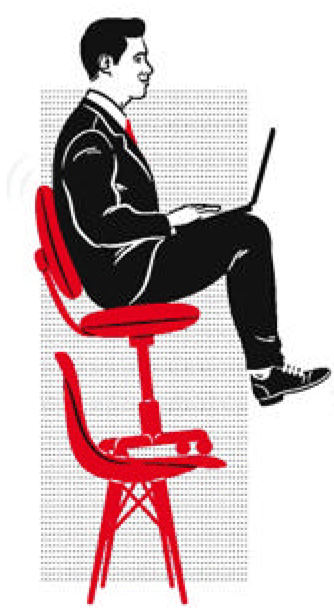

Retweeted by Twitter
DoughtoCrumbs @dough2crumbs 11 mins
Baking cookies? Add eggs one at time so you can mix in evenly. For more tips check out our Baking 101 guide: https://bit.ly/1cXftW7
Expand
Reply Retweet Favourite More

DoughtoCrumbs @dough2crumbs 30 mins
We're having a sale on tins of our delicious chocolate chip cookies. $19.99 all day Friday.
Expand
Reply Retweet Favourite More

This is a great tweet.

This is a bad tweet.

TAKE BACK YOUR WORKDAY



If you get paid a flat salary, turning a 10-hour day into nine more-productive hours is like giving yourself an 11% hourly raise.

❒ **HANDLE EACH EMAIL JUST ONCE.** Reply, file, or trash—don't come back to it later, says former Fidelity president Bob Pozen, author of *Extreme Productivity.*

❒ **HIDE THAT EXTRA CHAIR.** You'll discourage chatty co-workers from lingering.

❒ **TIME YOUR BREAKS.** Research shows your brain loses focus on a task after about 90 minutes.

GET YOUR RÉSUMÉ THE ATTENTION IT DESERVES

"Ten years ago job seekers would write a full-page cover letter," says executive résumé writer Wendy Enelow. A better approach now is an email designed to cut through the electronic clutter.

Use the subject line to note your key selling points. Instead of "Director of sales position," write "Director of Sales—10 Years of Exceeding Sales Quotas—MBA." In the body of the email, spotlight a major accomplishment. Follow up with three big career wins in bullet points.

SKILLS THAT

SAVE YOU MONEY

WIN ON THE CAR LOT (BEFORE YOU GET TO THE CAR LOT)

Plan ahead before you haggle with a salesperson who does this every day. There's plenty up for grabs: According to Kelley Blue Book, the fair price for a new Toyota Camry is $2,000 less than the manufacturer's suggested retail price.

THE SCENARIO

You see an ad for a specific car at a great price.

CALL AHEAD AND SAY ...

"I want to see if the 2013 preowned hybrid SUV is still available. It is? Great! Can you have it ready to test-drive when I get there?"

WHY IT WORKS

Car dealers may advertise one car to get you to the lot and then avoid showing it to you so you buy a pricier one, says Philip Reed, senior consumer advice editor at Edmunds.com.

THE SCENARIO

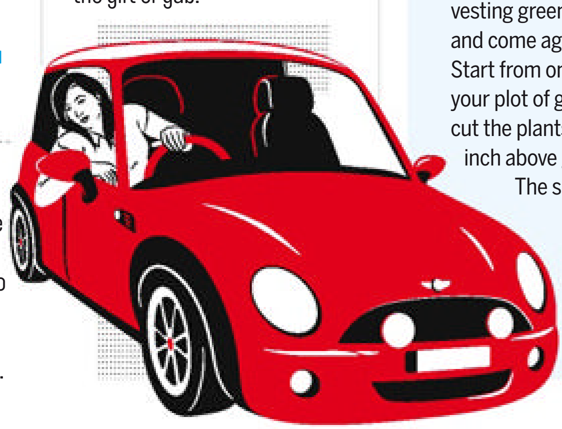
You know what car you want, and you want to compare prices at different dealers.

SEND AN EMAIL THAT SAYS ...

"I'm looking for an out-the-door quote on the 2015." Then specify the trim, options, and color.

WHY IT WORKS

If you call around, dealers may try to draw you into the shop without giving you the info you are looking for. By specifying all the details and making sure to get a price that covers everything, you'll be able to make apples-to-apples comparisons, says Joe Wiesenfelder, executive editor of Cars.com. And you'll have neutralized a salesperson's big advantage—the gift of gab.



GET MORE FROM YOUR HOME GARDEN

You can pay $5 a pop for salad greens in those clamshell packages; seeds cost pocket change. If you like getting your hands dirty and you eat three or four salads or two packs of berries a week, you could save hundreds over a summer. Try these tips from Mike McGrath, host of *You Bet Your Garden,* a WHYY radio show and podcast.

PICK THE RIGHT PLANT

Raspberries require little care and tend to be expensive at the store, at $3 for a 6-ounce pack. You can freeze leftovers for the winter too. Give less of your garden to plants that require a lot of time to develop, like bell peppers.

ROTATE SALAD GREENS

Mixed salad greens, such as baby leaf lettuces and arugula, are tough and grow quickly—even after you cut them all off. The best technique for harvesting greens is the "cut and come again" method: Start from one end of your plot of greens and cut the plants about one inch above ground level. The same plant may grow back four or five times in a season.

GET IT OFF THE GROUND

Although "flat earth" gardening was popular hundreds of years ago, modern gardeners know they have to protect their plants from weeds by growing them in containers or raised beds. This has several benefits. It prevents grassy weeds from spreading roots and allows excess water to drain. And you can create lanes between the beds so you aren't walking on and compacting the soil around your plants. Plants thrive in fluffy, aerated soil.

BECOME A WATERING GURU

One of the most common errors of novice gardeners is overwatering and drowning plants. If it rains at least an inch a week, you may be able to skip watering. The best tool for keeping track of your plants' water diet is a rain gauge (about $10 at gardening-supply stores) to clue you in to how much or little extra water your garden needs.

CLOCKWISE FROM TOP LEFT: PHOTOGRAPHS BY DAVID COOK/ALAMY; GARY OMBLER/GETTY; COURTESY OF PIPPA CALLAND; SHAYLA HUNTER

PIPPA CALLAND

6 TRICKS GREAT HOME COOKS KNOW

Ideas from Pippa Calland, a 2008 winner on the Food Network chef competition show Chopped. *She runs Mid St8 Taco at the West Shore Farmers Market in Lemoyne, Pa.*

❐ **LEARN "FORGIVING" TECHNIQUES:** Pot roasts and other braises give you room for error, and you can use less expensive meat cuts. Bone-in chuck roast is $7 a pound, vs. boneless rib eye at $13.

❐ **KEEP A SHARP KNIFE:** Good knives reduce waste when you trim fat. The best tool is a simple sharpening stone (about $40); keep the blade at a 20-degree angle.

❐ **PLAN AHEAD:** A few days before you plan on cooking, write out a list of ingredients so when you go the store you buy only the amount of each item you will actually need. Cooking from home saves you money only if you use your purchases completely.

❐ **WORK WITH WHOLE SPICES:** Ground spices are quicker to go bad. It's easy to toast and grind spices yourself—you'll need a cheap coffee grinder. Using coarse salt instead of salt from a shaker allows you to season more accurately.

❐ **PREHEAT PANS:** Always let that cast-iron skillet heat up before you put fat in the pan. You'll be able to use less butter or oil to create a nonstick surface, and the food you cook will absorb less of it.

❐ **SKIP STORE DRESSINGS:** They cost $3 to $5 a bottle, and who knows what's in them? Easy recipe: one tablespoon of olive oil, juice from half a lemon, salt, and pepper. Toss with cherry tomatoes and arugula.

BUILD THE PERFECT TOOLBOX

Chris McGuire of design-build firm Vujovich recommends these: claw hammer, 11-bit cordless screwdriver, utility knife, adjustable wrench, slip-joint pliers, level, hacksaw, combination square, and tape measure. Total cost: $130

BUY THIS

25-foot tape measure

NOT THAT

35-foot tape measure

McGuire says, "I like the 25-footer because it fits every standard-size room. A 35-foot tape measure becomes cumbersome when you have to use it for a smaller project."

SNAG TRAVEL BARGAINS

Outsmart the airline reservation system: Try shopping for each passenger separately, says Rick Seaney of FareCompare.com. When you buy two or more tickets in a single online transaction, most airlines require the seats be sold at the same price. If you're shopping for two people and there's only one seat left at the $150 promotional offer, you'll pay a higher amount for each ticket unless you do two transactions.

Price-shop hotels online, but then call the front desk: You may be able to nab a better deal, says Robert Firpo-Cappiello, editor-in-chief of *Budget Travel.*

SKILLS THAT HELP YOU GROW MONEY

PAINT A ROOM YOURSELF

Rich O'Neil of Masterwork Painting & Restoration in Woburn, Mass., explains how to get professional results:

Don't forget to pick any loose fuzz off the roller!

❒ **START RIGHT AND STAY SMOOTH:** A pro could easily charge $1,600 for a big job, vs. up to $400 in materials on your own. Dust surfaces and tape up edges and moldings you don't want painted. Painting should go in two types of strokes. First apply a thin layer for coverage. Then paint over it to even and smooth.

NEVER LOSE A RECEIPT

The key to never losing track of important receipts for expenses and taxes is to keep just one bin and make sure to empty your pockets and purse into it every night. Then set a regular date on your calendar to empty the bin and organize the receipts. "If you wait too long, you may not even remember your purchase," says professional organizer Andrew Mellen.

REPLACE YOUR CAR'S AIR FILTERS

You can do it yourself every 12,000 miles on newer cars. You'll save about $50 in labor costs, says Mike Forsythe of Haynes, an auto-repair guidebook publisher, and pay 25% less for the filter by getting it at a parts store.

ENGINE FILTER

It's in a housing in the engine compartment; in most cars there's a cover you can unlatch with your fingers.

CABIN FILTER

You'll typically find this inside the car, behind the glove box.

VET ANYONE WHO WANTS TO HELP YOU ...

... INVEST YOUR MONEY

Beware of lots of unfamiliar credentials. Some, like certified financial planner, are well-recognized. Others, not so much. "People try to create an impression of specialized expertise that often isn't backed up by educational or testing requirements," says Barbara Roper of the Consumer Federation of America. Finra.org has a list of designations, with details on how much (or little) it takes to get one. Also use Finra's BrokerCheck tool to see if an adviser has a disciplinary record. And look at fees—they add up (see the second equation on the opposite page).

... SELL YOUR HOUSE

Interview at least three potential agents and ask for printouts of their latest sales. Pay attention to the average number of days their homes sit on the market. Also, look online at the descriptions they write for houses. According to data crunched by Zillow .com, longer descriptions tend to get higher prices. The words "investor," "TLC," and even "nice" pull prices down.

... START A BUSINESS

Looking for a partner? Here you have to think differently about someone's track record: Failure is part of the startup game, so it's not always a red flag, says Nathan Beckord of startup consulting firm VentureArchetypes. To find a partner beyond your circle of contacts, check out online matchmakers CoFoundersLab and Founder2be.

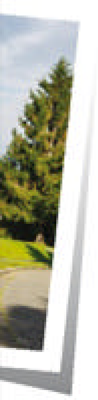
CLOCKWISE FROM TOP LEFT: ISTOCK; SAWAYA PHOTOGRAPHY/GETTY; MARK BASSETT/ALAMY (SIGN); CRAIG MITCHELLDYER; ISTOCK

THREE EQUATIONS THE SAVVIEST INVESTORS UNDERSTAND

▼EQUATION NO. 1

S&P 500 DIVIDEND YIELD
+
ABOUT 4.5%
=
THE EXPECTED LONG-TERM RETURN ON STOCKS

This formula, known as the Gordon equation, assumes stocks get their ultimate value from being able to one day return earnings to investors. (That's true whether or not a company currently pays a dividend or reinvests in the business.) Anything above or below that is a result of investor sentiment. You can look up the current S&P 500 dividend yield, which is 2% now, at multpl.com; the 4.5% is how much you can expect dividends to grow based on the past. So today the expected long-run return is 6.5%. Adviser and author William Bernstein says thinking about this number brings you down to earth in boom years, and can reassure you when the market is down.



▼EQUATION NO. 2

A 1.5% EXPENSE RATIO
=
OVER 40% OF YOUR MONEY AFTER 40 YEARS

Mutual fund and adviser expenses seem so tiny—just 1% or so. But math professor Jordan Ellenberg, author of *How Not to Be Wrong*, says that over many years "expenses add up—or, more mathematically precisely, they multiply up." Put \$100,000 into a fund with a 1.5% expense ratio, assume a 6% underlying return, and you'll get about \$560,000 after 40 years. With the same pre-expense return in a very low-cost index fund charging 0.1%, you'd have \$990,000. To see for yourself the true long-term costs of a fund you are considering, use the mutual fund fees calculator at Bankrate.com.

▼EQUATION NO. 3

NET INCOME / SHAREHOLDER EQUITY
=
RETURN ON EQUITY

Return on equity is a classic measure of a company's ability to put shareholders' money to good use. (Equity is roughly the cash investors put into the business, plus retained earnings.) Calculate a stock's ROE using the balance sheet and income statement. Looking for consistent ROE of 15% or more "helps steer you toward profitable companies and away from speculation," says Robert Zagunis of the Jensen Funds, which screen for stocks with 10 years of high return on equity, like 3M (MMM).

LEARN HOW TO SIZE UP A TENANT

With low mortgage rates and a strong rental market, real estate investing may look attractive. But being a landlord means dealing with a complex human variable: the person you rent to. Besides making clear that "pets allowed" doesn't mean "zoo," here are three more ways to keep away trouble:

❒ **LOOK FOR LONGEVITY:** Having lived three years or more in the previous apartment is an indicator of responsibility, says Mike Butler, author of *Landlording on Auto Pilot*. Use this along with a credit check.

❒ **VERIFY INCOME:** Tenants should be willing to let you call their employer.

❒ **TRIP UP FAKE REFERENCES:** When you get on the phone, Jeffrey Taylor, a property manager and founder of MrLandlord.com, suggests making a "mistake" in your questions, to be sure you're talking to a real supervisor. "If they've only worked there for one year," says Taylor, "ask to confirm if they've been working there three years and see if you're corrected."

AND KEEP A GOOD TENANT HAPPY If you're getting new renters every six months to a year, you may be losing up to \$2,000 for turnover, says Taylor. You might reward your tenants with an anniversary gift, like a bottle of wine. ■

HOW I OUTSOURCED MY LIFE

BY CYBELE WEISSER
ILLUSTRATIONS BY ***CHRISTINA UNG***

I tried out a spate of new services that promised to take over my most hated chores. Some of them bought me a lot more time for myself; others cost me a lot more than they were worth.

Monday morning. I sit down at my desk and turn on my computer, and up pops the personal to-do list that makes me want to head back to bed: Plan the week's meals, buy groceries, figure out summer-camp options for my 4- and 7-year-old sons, buy a birthday gift for my mother-in-law, ship back the growing pile of things bought online we didn't end up liking, dispute a medical bill ... and so on. *Sigh.*

Then my in-box flashes with a magical email from my editor at MONEY: Would I be willing to test-drive some outsourcing services? Would I ever!

I picture my list practically crossing off itself. After all, these days you can hire someone to do even the most mundane chores—at a price point that isn't out of reach for the average Joe. And a host of new web-enabled services have made the process a snap.

Not that I needed more convincing, but it turns out there's also an economic rationale to employing someone to do your dirty work. Sure, it's clearly beneficial for a highly paid lawyer to bill more hours while someone mows his lawn, says Justin Wolfers, a professor of economics at the University of Michigan. But even if you use the extra time not to pad your income but simply to do something productive or to relax in some way that will make you more efficient at work tomorrow—*I see reality TV in my future!*—"there's a kind of hourly wage in that," Wolfers says.

I go back to my to-do list and find six categories of chores to outsource. For privacy's sake, I decide not to fob off jobs that require giving out very personal info like Social Security and bank-account numbers, so I'm stuck with that medical bill—though I could have easily found a way to delegate it.

Undoubtedly your cost-benefit analyses will be different from mine. But my experiences can help you decide which jobs are worth outsourcing ... and hopefully buy you more time for you.

SHIPPING PACKAGES

THE CHALLENGE: My love for Internet shopping is greatly eroded by my hatred for its inevitable byproduct: having to pack up returns and take them to UPS, USPS, and FedEx. Sending toys my kids outgrow to their cousins results in the same time suck and then some, since we never have the right size box.

ADMIN ASSIGNMENTS

THE CHALLENGE: When it comes to making plans and decisions, I like to be well-informed about all my options. Perhaps too informed. Online research and phone calls can easily eat up a couple of hours of my workday. If only I had a personal secretary ...

OUTSOURCING OPTIONS: Through sites like Fancy Hands and Tasks Everyday, you can hire an online assistant who, in theory, can do anything a regular assistant could do via Internet or phone.

WHAT I TRIED: Fancy Hands. Examples of tasks listed on its site included scheduling, restaurant selection and reservations, complex Internet research, and bill negotiation.

COST: Monthly billing plans range from $30 for five tasks to $150 for 50. I paid $60 for 10 requests. Most jobs take about 20 minutes of work, says CEO Josh Boltuch. If you request something that takes much longer, you'll be billed for additional tasks.

TIME SAVED: Less than 30 minutes.

HOW IT WORKED: On the FancyHands dashboard, I entered instructions for several tasks, which included finding a trendy restaurant for a party of six—including one

OUTSOURCING OPTIONS: Shipping and delivery apps, such as Shyp, Postmates, and Shipster, have proliferated in urban centers like New York City and San Francisco. Those outside metro areas can use all-purpose outsourcing site Taskrabbit (see "Odd Jobs," below) but will pay more.

WHAT I TRIED: Shyp

COST: $5 fee to pick up, pack up, and ship 10 pounds of toys to the cousins, plus a $13 charge from the U.S. Postal Service.

TIME SAVED: 45 minutes total—15 to find and pack a box, 15 trekking back and forth to USPS, 15-plus minutes waiting in line.

HOW IT WORKED: I pressed "add shipment" on the app, gave my address and delivery info, and uploaded a photo of what I wanted to send. Within 30 minutes a bike courier arrived at my door with a big white bag, placed my goods inside, and left for a central van where Shyp packs up the goods and finds the best price among shippers (the company gets bulk discounts, then marks up to allow for a profit margin). Another half-hour later, I got a text with a link to a USPS tracking number and a receipt.

WOULD I DO IT AGAIN? Definitely. I might have been able to send the package a bit cheaper if I'd gone to USPS on my own ($10 according to an estimate I got), but I didn't have to buy a box and I saved a lot of time. Shyp says it guarantees shipments up to $1,000, but I might still hesitate if my items were precious or personal.

who doesn't eat gluten—on an upcoming Saturday night, compiling a detailed list of summer camps nearby, haggling with my cable company for a better price, and helping me find a gift idea for my mother-in-law based on her interests.

The results? The tasks were completed in anywhere from 30 minutes to a few hours by four separate assistants. I got a table for six on Saturday at a sort of hip health food restaurant—though when I asked for a menu with one gluten-free option, I didn't mean we all wanted quinoa and kale. While I received a nice rundown on four local camps, at least four more I knew of were missing. My cable bill didn't budge (instead, I was asked if I wanted to add a movie channel for $5 more). And I opted not to buy my mother-in-law any of the 15 generic presents the assistant suggested, nine of which were from Gifts.com.

WOULD I DO IT AGAIN? No. I ended up having to complete many of the chores myself. To be fair, this probably wasn't the best route for meaningful gift ideas. But the other jobs should have been more up their alley. Boltuch told me the company usually excels at administrative tasks. Maybe I'm just picky. Or maybe part of the problem is that the site can't give you the benefit of a real assistant—that is, someone who gets to know you and whom you can come to trust to serve as your proxy.

ODD JOBS AT HOME

THE CHALLENGE: Some items on my to-do list have been there for years because they seem so endlessly procrastinate-able. Two examples: cataloguing the several hundred vinyl records my spouse acquired during college into a spreadsheet so that he'd know what he has (and what he could, I hope, one day toss), and deep-cleaning the gunk out of the crevices of our decade-old refrigerator.

OUTSOURCING OPTIONS: Taskrabbit and Agent Anything help you find pre-screened independent contractors willing to execute almost any odd job. Zaarly is similar for home services; Thumbtack, for home repair.

WHAT I TRIED: Taskrabbit, which has the largest national network of contractors.

COST: $75 for the record cataloguing; $88 to clean out the fridge. You pay by the hour, from $15 to $35 for unskilled labor depending on the person, location, and task.

TIME SAVED: 3½ hours

HOW IT WORKED: I entered a description of my job on Taskrabbit.com, and the site popped up profiles of dozens of "Taskers" available in the time window I chose. Each profile showed the Tasker's bill rate (each sets his own), a photo, and customer reviews. I looked for people on the lower end of the range with good reviews. And since they'd be in my house with me, I picked individuals who looked like they probably weren't serial killers.

WOULD I DO IT AGAIN? Maybe. Both Taskers, fairly young folks who did the work to fund other pursuits, were friendly and polite. However, I didn't love spending hours in my home with strangers. Also, the price seemed high.

And I think I could have done both jobs faster myself (though in the case of the fridge, less thoroughly—who knew masking tape would extract crumbs?). I wondered whether getting paid hourly may have caused the Taskers to work less efficiently. Still, since I would have otherwise put off these jobs infinitely, it was probably worth the money to actually get them done.

GROCERY SHOPPING

THE CHALLENGE: The black hole that is my family's refrigerator seems to need restocking every five to seven days. So my husband and I spend a lot of time at the grocery store. Taking our kids along for the trip ups the time commitment by 25%, the aggravation factor by 50%, and adds a few bucks in impulse purchases/bribes.

OUTSOURCING OPTIONS: Grocery delivery services are becoming widespread; between Peapod, Fresh Direct, Safeway, and more recent entrant Instacart, you can avoid the supermarket in most major cities. Amazon, Wal-Mart, and Google are also getting into the game, but coverage is still limited.

WHAT I TRIED: Instacart.com, which sends a "personal shopper" to a local store of your choice. I placed two orders: one from a supermarket, one from Costco.

COST: $3.99 fee for orders over $35—or $5.99 for one-hour delivery—plus tip. That fee was the lowest of all the services that were available in my area. (You can also choose a subscription for $99 that gets you two-hour delivery for a year.)

TIME SAVED: About 90 minutes for the supermarket; three hours for Costco.

HOW IT WORKED: After entering my zip code on Instacart's site, I was given a list of local grocers from which it delivers. I clicked on each item I wanted. Prices were about the same as what I find in the stores. (Instacart says it makes its money from fees paid by participating retailers, as well as delivery charges, rather than on markup.) Before checkout, I was asked what I wanted to do if an item wasn't available: Would I rather have the shopper pick a substitute or have the company deduct the charge?

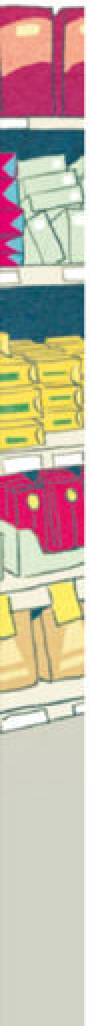
Both times, I got a text that a shopper was en route to the store; once from a shopper herself to let me know an item from my list was out of stock. No items were missing from either order, though one apple was mushy and I'd have looked for riper bananas.

WOULD I DO IT AGAIN? Absolutely. Delivery of bulky items like the 20-pack of paper towels I got from Costco was a no-brainer. While it's tougher to trust in a stranger's ability to pick produce and meat, the time savings was worth an occasional bum apple. Plus the delivery fee was canceled out by the lack of purchases to quiet my antsy kids.

BUYING CLOTHES

THE CHALLENGE: My husband and I both hate to sacrifice our free weekend time with trips to the mall, so we order a bunch of basics each season from well-known online stores and catalogues. The results? At best, pretty lackluster duds, and at worst, a lot of time spent returning ill-fitting garments.

OUTSOURCING OPTIONS: Online personal-shopper sites for men include Trunk Club and Bombfell; women can choose from Stitch Fix, Tog & Porter, and Keaton Row (MONEY's parent company, Time Inc., is an investor in the last). Typically these sites ship you a box of brand-name clothes picked by stylists who aim to match your taste based on information you pro-



PLANNING MEALS

THE CHALLENGE: Every time I think "Let's have something new for dinner!" I lose a half-hour to scanning food blogs, plus another half-hour shopping for ingredients.

OUTSOURCING OPTIONS: Meal-kit services such as the widely available Plated.com, HelloFresh.com, and Blue Apron will send premeasured ingredients for select menus.

WHAT I TRIED: Plated.com and Blue Apron

COST: $72 and $60, respectively, for three meals for two people from each service. (Plated is a subscription service, although you can cancel at any time.)

TIME SAVED: At least an hour for planning and shopping, but I added about 30 minutes to my usual cooking time.

HOW IT WORKED: For Plated, I chose three dinners from seven options; Blue Apron selects a menu for you, though you can opt out of meat and/or fish. In both cases, food arrived in a cooler parceled out among a few dozen clearly labeled plastic bags, with pictorial instructions.

All six recipes took longer than the promised 30 to 40 minutes to get on the table. For Plated's Italian wedding soup, for example, step one alone involved peeling, rinsing, and chopping six kinds of veggies. The results ranged from so-so (the meatballs for the soup were gloppy) to pretty good (my husband liked Blue Apron's roasted chicken with grapes and sunchokes and Plated's Cuban chicken). My picky sons were not fans of any of the dishes.

WOULD I DO IT AGAIN? No. The meals were far too time intensive. By Thursday night the whole family was relieved to sit down to our usual 20-minute baked-chicken dinner. That said, the services aren't aimed at moms in search of dinner on the double; Plated's PR person says they're "geared toward young professionals, millennials, and empty-nesters." Basically, everyone *but* me.

vide. You pay for the clothes you keep, plus in some cases a small fee. (The companies buy the clothes at cost and then mark them up a bit.)

WE USED: Bombfell and Stitch Fix, both of which offered reasonably priced garments (about $50 to $150 a piece).

COST: Bombfell charges you for only the clothes you keep; Stitch Fix requires a $20 monthly subscription.

TIME SAVED: None so far.

HOW IT WORKED: Both sites asked for our measurements and made us complete a brief survey to help the stylists understand our style tastes. In both cases, it took a couple of weeks to receive our order.

Bombfell emails a list of the pieces it plans to send before shipping, so customers can opt out of anything they don't like. My husband okayed four of four, but ultimately two didn't fit and two didn't suit his taste.

My Stitch Fix shipment was similarly challenged: Two of three shirts gaped on my chest, and two items were clearly meant for someone half my age. (The sheer tank I got would've been the talk of elementary-school pickup!) None really suited my style.

WOULD I DO IT AGAIN? Maybe. If I wanted to add some fun extras to my wardrobe, I'd give it another try: Both companies noted to me that the stylists alter their picks based on your feedback, so a second or third shipment would probably fit our tastes better. But for stocking up on basics, it seems faster to walk into a store and assess the rack with my own eye. Sometimes if you want a job done right, you're better off just doing it yourself.

3 LESSONS I'VE LEARNED ABOUT OUTSOURCING

YOU HAVE TO LEAVE YOUR PRIVACY AT THE DOOR. Don't like strangers in your home? Not crazy about divulging your waist size on the World Wide Web? Too bad. Even though I wasn't willing to give out my SSN, I still had to reveal an awful lot, including my tastes, my location, and (literally) my household dirt.

THE WORST JOBS ARE OFTEN TOO PETTY TO BE OUTSOURCED. To help me decide what to delegate, economist Justin Wolfers suggested I make a list of my most-hated chores. Washing my kids' thermoses and lunchboxes topped the list, but it just didn't make sense to pay someone to stand at my sink for 10 minutes every night.

THE MORE SPECIALIZED THE TASK, THE LESS LIKELY YOU'LL BE HAPPY WITH THE RESULTS. There's a reason cleaning is one of the most often outsourced chores: Everyone knows what a sparkling toilet looks like. It's a lot tougher for someone you've never met to figure out what you'd consider a suitable gift for your mother-in-law, how tight you like your pants, or what your kids will eat for dinner. ■

ON OUR WEBSITE
Watch writer Cybele Weisser try out the meal kits at **money.com/video.**

Q+A:

CAN YOU REALLY BEAT THE MARKET?

ANSWERED BY
CAMPBELL HARVEY

DUKE UNIVERSITY FINANCE PROFESSOR AND FORMER EDITOR OF *THE JOURNAL OF FINANCE*

INTERVIEW BY TAYLOR TEPPER
PHOTOGRAPHS BY JEFF BROWN

There's all this academic research out there that attempts to explain why stocks do well or poorly by focusing on investment factors, such as momentum or low price/earnings ratios. In all, 316 different factors were identified in the papers I studied, including things like the amount of media attention a company gets or how much it spends on advertising. My research found that of all the published papers in finance, over half are likely false. The problem is the researchers were applying the tools of statistics as if there was only one test going on when there are multiple variables. Some factors are going to look statistically significant just by chance.

Can you help us understand?

There's a cartoon that explains this well. Let's say somebody has a hypothesis that jelly beans cause acne. So researchers conduct a controlled experiment where some people get jelly beans and some don't. It turns out that there's no significant difference.

Then somebody says, "Well, maybe we're looking at this incorrectly. We should look at this by the color of the jelly bean. So then 20 new experiments are undertaken. Again, some people get jelly beans and others don't.

THE HARVEY FILE

AGE: 56

PROFESSOR OF FINANCE AT DUKE'S FUQUA SCHOOL OF BUSINESS

FOUNDING DIRECTOR, DUKE/CFO MAGAZINE GLOBAL BUSINESS OUTLOOK SURVEY; PRESIDENT-ELECT, AMERICAN FINANCE ASSOCIATION

But the jelly beans are just red. A separate experiment uses just yellow beans. Then all purple. Each time there's no effect. On the 20th try, which happens to test green jelly beans, they find there's a difference that is statistically significant by the usual rules. And then in the newspaper the next day, there's this headline: GREEN JELLY BEANS CAUSE ACNE.

What should the standard be?

Usually you're looking for 95% confidence, which means there's a 5% chance the result was a fluke. But that's true only if you're conducting a single test. As soon as you go to multiple tests, it's like the jelly bean problem. You do 20 experiments and you're likely to get a hit by chance.

To be fair, you've made this mistake yourself.

Some of the papers we analyzed are my own. This actually gives me a bit of a pass when I'm talking to my colleagues and saying, "Half of what you guys published is false." And they kind of push back: "How could you say that?" And I say, "Well, it also holds for me, okay?"

What does this mean for the average investor?

For individual investors the best thing to do is to just go with an index fund. Don't believe these claims of using this or that "factor" to beat the market. Invest in the broad market, and go with the lowest possible fee.

But so-called smart beta index funds claim to capitalize on these "factors."

Imagine there are 316 of these "smart" beta index funds, each chasing one of the factors that I detail. It is likely that more than 50% of them are destined to disappoint.

Suppose there's an ETF investing only in stocks beginning with the letter "H." The managers claim historical outperformance for H stocks based on simulations going back to 1926. They claim their results are "significant." They're likely using the wrong statistical method to declare their strategy "true." They might have tried 26 letters and "H" worked by chance.

The insight is the same for 316 factors. If you try enough strategies, some will work by luck. In many cases it's not about being "smart."

Speaking of smart, rebalancing has been recommended as a prudent approach. You've done research on this topic, right?

Rebalancing is like mom-and-apple-pie sort of finance, in that we just assume it's a good idea. We don't think through what it involves. In my research I detail the risk that is induced by a rebalancing strategy.

Don't you rebalance to reduce risk?

Let's say you've got a portfolio of 60% stocks and 40% bonds. Now, imagine stocks drop and you're in a prolonged bear market. If you're rebalancing, you have to buy equities to get that proportion back up to 60%. So as stocks are falling, you're buying more and more. Your portfolio is going to have a bigger drawdown than another portfolio where you didn't rebalance.

It works in bull markets too. If equities are going up and up and you're rebalancing, you're dumping stocks. The market goes up. You dump more. All of a sudden your portfolio has done worse than if you had just let it run.

So how should investors think about rebalancing then?

It is not smart to rebalance the last day of the year or the last day of the quarter by rote. It means you're ignoring all of the information in the market. There's lots of information out there, so use that information. Use your judgment.

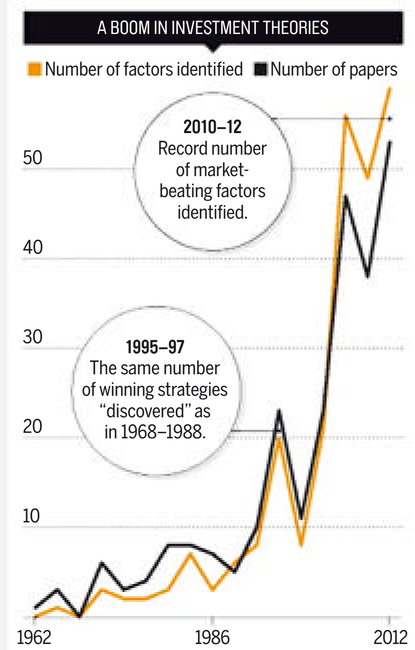
If you don't have time to figure this out, isn't rote rebalancing worth the risk—to keep from being overly exposed to stocks before a bear market?

If you have a very long time horizon, you may be able to bear the extra risk by rote rebalancing. You will still have bigger drawdowns in the value of your retirement portfolio, but you don't need the money in the short term and you can ride out the risk. My point is all investors need to understand that rote rebalancing is an active investment decision that increases risk.

You've also done research on Bitcoin. The smart money is

SELF-FULFILLING SCIENCE

As more "winning" investment factors are tested, the odds are greater of finding one by chance. Which leads to more studies.



SOURCE: Campbell Harvey

This interview has been edited.


DON'T ASSUME EVERYTHING YOU READ IN FINANCIAL JOURNALS IS TRUE, SAYS HARVEY.

pretty sure it's a worthless currency. What don't people get?

Almost everything. For instance, part of the misunderstanding is the focus on the price of the Bitcoin. You see that it was at $1,000, then it's down to $200. People say, "Well, the bubble has burst," and stuff like that.

They are looking at just one aspect of Bitcoin. These critics don't start by asking themselves, "What problem does Bitcoin solve?"

What problem does it solve?

I am tired of constantly getting phone calls from my credit card companies, having to go online to fix the 20 things I've got auto-debits for, and dealing with charges that are not mine on my card. These are problems that many people encounter.

Bitcoin is safer?

Bitcoin is much safer. When you go to buy something, the retailer actually is able to check a common ledger of all transactions to make sure you actually have the money to spend. The public ledger, which is almost impossible to hack, solves the problem of double spending—using the same Bitcoin to buy two things. Merchants, such as restaurants, which are paying 3% to the credit card companies, love this.

For me, though, I look at Bitcoin not just as a currency, but what it could do in the future in other applications. Think of the Bitcoin technology as a way to exchange and verify ownership. It's like getting into your car with your smartphone. You present cryptographic proof of ownership. You're the owner, and it's verified through this common ledger. The car is able to identify that it is your car, and so the car starts. You're done.

Now suppose you borrow money from the bank for the car and you're three months behind in your payments. You present your key, the car doesn't start. The bank has the key that starts the car. So this is a very cool idea, right?

There's still a problem with the roller-coaster ride in Bitcoin prices, right?

There is, and Bitcoin currently is not a reliable store of value because of it. But the price swings could be solved with more liquidity—more money in the market. The recently launched Bitcoin exchange, which is fully regulated, insured, and backed by the New York Stock Exchange, should help with this. Bitcoin price fluctuations are a factor of it being so young.

The best way to judge Bitcoin is not to look at the price progression, but to look at the vast amount of money that's being invested by venture capitalists into Bitcoin-related companies. That's what I look at.

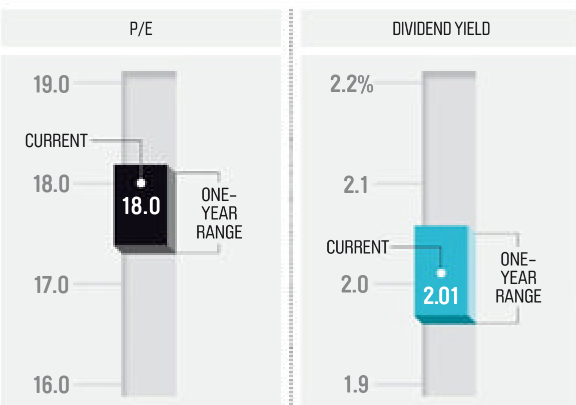
TABLET BONUS
Listen to more of Campbell Harvey's thoughts on financial misconceptions.

GROOMING BY KYRA DORMAN

Fear Returns to Wall Street

SO FAR, 2015 is off to a rocky start as oil prices have sunk on worries the global economy is stalling out. As a result, investors piled into traditional defensive areas of the market, such as utility stocks and bonds. Fixed income gained 1.4% in the four weeks ended Jan. 21.

S&P 500 RATIOS



BENCHMARKS

	TOTAL RETURN		
	ONE MONTH	ONE YEAR	THREE YEARS[1]
INDEX			
S&P 500	**–1.7%**	12.5%	18.1%
Nasdaq[2]	**–2.1**	10.5	18.8
Russell 2000	**–2.4**	0.5	15.7
Morgan Stanley EAFE	**–0.1**	–4.9	9.6
Dow Jones industrial average	**–1.3**	9.5	14.2
Barclays U.S. aggregate bond index	**1.4**	6.3	3.1
SECTOR			
Utilities	**5.1**	32.7	16.9
Telecom services	**2.9**	8.9	11.5
Consumer staples	**2.2**	20.9	18.5
Health care	**–0.1**	24.8	27.6
Basic materials	**–0.8**	6.5	12.0
Consumer discretionary	**–1.7**	8.9	21.1
Industrials	**–2.0**	8.6	17.7
Information technology	**–2.5**	17.0	17.9
Energy	**–4.5**	–8.4	4.4
Financials	**–5.1**	8.8	20.5

NOTES AND SOURCES: *Stock index data as of Jan. 21 from Lipper, New York; 877-955-4773. Sector returns from Bloomberg. Bond index data from Barclays. Monthly S&P 500 ratios are from Standard & Poor's. P/E ratios are based on previous four quarters of operating earnings. Biggest funds ranked by total net assets. [1]Annualized. [2]Price change only.*

BIGGEST MUTUAL FUNDS BY CATEGORY

CATEGORY	TOTAL RETURN ONE YEAR	TOTAL RETURN THREE YEARS[1]	EXPENSES (AS % OF ASSETS)
LARGE-CAP STOCKS			
Fidelity Contrafund (FCNTX)	7.9%	17.8%	0.67%
American Funds Growth Fund of America (AGTHX)	7.2	18.3	0.66
Dodge & Cox Stock (DODGX)	7.7	19.9	0.52
American Funds Investment Co. of America (AIVSX)	12.0	17.8	0.61
American Funds Wash. Mutual Investors (AWSHX)	10.6	16.6	0.60
MIDCAP			
Fidelity Low-Priced Stock (FLPSX)	5.9	16.8	0.82
Vanguard Mid-Cap Index (VIMAX)	11.9	18.6	0.09
Vanguard Extended Market Index (VEXAX)	4.2	17.6	0.10
Fidelity Spartan Extended Market Index (FSEVX)	4.4	17.5	0.07
Columbia Acorn (ACRNX)	–2.0	12.4	0.79
SMALL-CAP			
Vanguard Small-Cap Index (VSMAX)	4.1	17.4	0.09
T. Rowe Price Small-Cap Value (PRSVX)	–2.8	12.5	0.96
Vanguard Explorer (VEXRX)	0.2	16.7	0.35
Vanguard Small-Cap Value Index Fund (VSIAX)	6.6	17.9	0.09
Vanguard Small-Cap Growth Index (VSGAX)	1.1	16.4	0.09
BALANCED			
Vanguard Wellington (VWENX)	9.5	12.8	0.18
American Funds American Balanced (ABALX)	8.5	13.4	0.61
Fidelity Balanced (FBALX)	9.1	13.1	0.56
Oakmark Equity and Income (OAKBX)	5.9	11.7	0.77
Fidelity Puritan Fund (FPURX)	9.1	13.5	0.56
INTERNATIONAL			
Vanguard Total International Stock Index (VGTSX)	–3.2	7.4	0.22
Harbor International (HAINX)	–6.5	7.2	0.74
American Funds EuroPacific Growth (AEPGX)	–1.4	10.4	0.84
Fidelity Diversified International Fund (FDIVX)	–2.8	11.4	0.92
Vanguard International Growth Fund (VWILX)	–4.2	9.7	0.34
EMERGING MARKETS			
American Funds New World (NEWFX)	–2.2	6.6	1.03
Vanguard Emerging Markets Stock Index (VEMAX)	6.6	2.3	0.15
T. Rowe Price Emerging Markets Stock (PRMSX)	8.7	3.5	1.25
Fidelity Emerging Markets (FEMKX)	5.7	4.7	1.09
Russell Emerging Markets (REMSX)	2.1	2.6	1.51
U.S. GOVERNMENT BONDS			
Fidelity Government Income (FGOVX)	5.9	2.3	0.45
American Funds U.S. Government Securities (AMUSX)	5.0	1.7	0.64
MFS Government Securities (MFGSX)	4.9	1.7	0.88
J.P. Morgan Government Bond (OGGAX)	5.8	2.1	0.76
Sit U.S. Government Securities (SNGVX)	2.2	1.0	0.80
INVESTMENT-GRADE			
Vanguard Total Bond Market II Index (VTBIX)	6.3	3.0	0.12
Vanguard Total Bond Market Index (VBTLX)	6.3	3.1	0.08
Dodge & Cox Income (DODIX)	5.1	4.5	0.43
Vanguard Short-Term Investment-Grade (VFSUX)	2.0	2.5	0.10
T. Rowe Price New Income (PRCIX)	5.8	3.4	0.61
HIGH YIELD			
American Funds American High-Income Trust (AHITX)	–1.2	6.0	0.66
Vanguard High-Yield Corporate (VWEAX)	3.8	7.3	0.13
Fidelity Capital & Income (FAGIX)	5.1	9.7	0.71
Fidelity High Income (SPHIX)	0.3	6.7	0.72
Northern High Yield Fixed Income (NHFIX)	0.4	7.4	0.81
TAX-EXEMPT			
Vanguard Intermediate-Term Tax-Exempt (VWIUX)	7.1	3.8	0.12
Fidelity Municipal Money Market (FTEXX)	0.0	0.0	0.40
Vanguard Limited-Term Tax-Exempt (VMLUX)	2.1	1.6	0.12
Vanguard Tax-Exempt Money Market (VMSXX)	0.0	0.0	0.16
Schwab Municipal Money Fund (SWXXX)	0.0	0.0	0.62

Investors Flock to Bond Funds

GLOBAL SLOWDOWN FEARS AND FALLING OIL PRICES DRIVE MONEY OUT OF RISKY EQUITIES.

MOST OF THE STOCK FUNDS in our recommended list of mutual and exchange-traded funds fell in the four weeks ended Jan. 21, thanks to disappointing corporate earnings amid a slowing global economy. Bond funds, on the other hand, rallied as market participants sought shelter even in the face of record-low interest rates. Among MONEY 50 funds, newcomer **iShares iBoxx $ Investment Grade Corporate** did the best, gaining 2.4%.

In other news, Dodge & Cox International Stock announced in January it would close to new investors to protect the interests of existing shareholders. MONEY will replace the fund on our recommended list, but if you're already in the portfolio, you should feel comfortable staying put. —TAYLOR TEPPER

HOW TO USE OUR RECOMMENDED LIST

Building-block funds: For broad exposure to core asset classes
Custom funds: Specialized investments that can tilt your strategy
One-decision funds: If you want stocks and bonds in one portfolio

FUND (TICKER)	TOTAL RETURN: ONE MONTH	TOTAL RETURN: ONE YEAR	TOTAL RETURN: THREE YEARS[1]	EXPENSES (AS % OF ASSETS)	PHONE NUMBER (800)
BUILDING-BLOCK FUNDS					
Large-Cap					
Schwab S&P 500 Index (SWPPX)	**–1.7%**	12.4%	18.0%	0.09	435-4000
Schwab Total Stock Market Index (SWTSX)	**–1.7**	10.8	17.9	0.09	435-4000
Midcap/Small-Cap					
iShares Core S&P Mid-Cap (IJH)	**–0.9**	7.6	17.2	0.14	474-2737
iShares Core S&P Small Cap (IJR)	**–1.9**	2.4	16.7	0.14	474-2737
Foreign					
Fidelity Spartan International (FSIIX)	**–0.1**	–4.9	9.6	0.20	544-8544
Vanguard Total Intl. Stock (VGTSX)	**0.4**	–3.2	7.4	0.22	662-7447
Vanguard FTSE A/W ex-U.S. Small (VFSVX)	**0.1**	–6.5	7.4	0.40	662-7447
Vanguard Emerging Markets (VEIEX)	**4.0**	6.5	2.1	0.33	662-7447
Specialty					
Vanguard REIT Index Investor (VGSIX)	**7.0**	34.1	17.3	0.24	662-7447

FUND (TICKER)	TOTAL RETURN: ONE MONTH	TOTAL RETURN: ONE YEAR	TOTAL RETURN: THREE YEARS[1]	EXPENSES (AS % OF ASSETS)	PHONE NUMBER (800)
Bond					
Vanguard Total Bond Market (VBMFX)	**1.5%**	6.2%	3.0%	0.20	662-7447
Vanguard Short-Term Bond (VBISX)	**0.8**	1.7	1.2	0.20	662-7447
Vanguard Inflation-Protected (VIPSX)	**1.1**	3.7	0.7	0.20	662-7447
Vanguard Short-Term Infl.-Prot. (VTIP)	**0.3**	–0.9	N.A.	0.10	662-7447
Vanguard Total Intl. Bond Index (VTIBX)	**1.5**	9.0	N.A.	0.23	662-7447
CUSTOM FUNDS					
Large-Cap					
Dodge & Cox Stock (DODGX)	**–3.0**	7.7	19.9	0.52	621-3979
PowerShares FTSE RAFI U.S. 1000 (PRF)	**–1.9**	10.8	18.4	0.39	843-2639
Sound Shore (SSHFX)	**–2.6**	9.5	19.7	0.93	551-1980
Primecap Odyssey Growth (POGRX)	**–2.1**	8.8	19.9	0.66	729-2307
T. Rowe Price Blue Chip Growth (TRBCX)	**–1.2**	7.4	20.2	0.74	638-5660
Midcap					
Delafield Fund (DEFIX)	**–5.8**	–9.7	8.7	1.22	697-3863
Ariel Appreciation (CAAPX)	**–2.6**	5.6	19.5	1.13	292-7435
Weitz Hickory (WEHIX)	**–2.0**	–0.3	13.2	1.22	304-9745
T. Rowe Price Div. Mid Cap Gro. (PRDMX)	**–1.4**	9.0	17.3	0.91	638-5660
Small-Cap					
Royce Opportunity (RYPNX)	**–3.6**	–6.8	14.9	1.17	221-4268
Vanguard Small-Cap Value (VBR)	**–2.1**	6.6	17.9	0.09	662-7447
Berwyn (BERWX)	**–2.4**	–7.9	11.5	1.20	992-6757
Wasatch Small Cap Growth (WAAEX)	**–0.5**	0.0	14.1	1.24	551-1700
Specialty					
PowerShares Intl. Div. Achievers (PID)	**–0.1**	0.7	8.8	0.54	983-0903
SPDR S&P Dividend (SDY)	**–0.7**	13.5	17.1	0.35	787-2257[2]
Cohen & Steers Realty Shares (CSRSX)	**6.4**	33.9	17.0	0.97	437-9912
SPDR Dow Jones Intl. Real Estate (RWX)	**4.5**	10.4	13.8	0.59	787-2257[2]
iShares N. America Nat. Resources (IGE)	**–4.1**	–11.4	–0.3	0.48	474-2737
Foreign					
Dodge & Cox International Stock (DODFX)	**0.1**	0.6	13.3	0.64	621-3979
Oakmark International (OAKIX)	**–1.6**	–6.8	13.5	0.98	625-6275
Vanguard International Growth (VWIGX)	**0.2**	–4.3	9.6	0.47	662-7447
T. Rowe Price Emerging Markets (PRMSX)	**4.2**	8.7	3.5	1.25	638-5660
Bond					
Dodge & Cox Income (DODIX)	**0.7**	5.1	4.5	0.43	621-3979
Fidelity Total Bond (FTBFX)	**1.8**	5.7	4.0	0.45	544-8544
Vanguard Short-Term Inv. Grade (VFSTX)	**0.6**	1.9	2.4	0.20	662-7447
iShares iBoxx $ Inv. Grade Corp. (LQD)	**2.4**	9.1	6.1	0.15	474-2737
Loomis Sayles Bond (LSBRX)	**–0.1**	3.3	7.2	0.92	633-3330
Fidelity High Income (SPHIX)	**0.4**	0.3	6.7	0.72	544-8544
Vanguard Intm.-Term Tax-Ex. (VWITX)	**1.4**	7.0	3.7	0.20	662-7447
Vanguard Limited-Term Tax-Ex. (VMLTX)	**0.8**	2.1	1.5	0.20	662-7447
Templeton Global Bond[3] (TPINX)	**–0.1**	2.0	5.0	0.88	632-2301
Fidelity New Markets Income (FNMIX)	**–0.9**	2.5	4.7	0.86	544-8544
ONE-DECISION FUNDS					
Balanced					
Fidelity Balanced (FBALX)	**–1.0**	9.1	13.1	0.56	544-8544
Vanguard Wellington (VWELX)	**–0.4**	9.4	12.7	0.26	662-7447
Target Date					
T. Rowe Price Retirement series (STOCK/BOND ALLOCATION)					
Example: 2005 Fund (45%/55%) (TRRFX)	**0.1**	4.5	7.7	0.59	638-5660
Example: 2020 Fund (68%/32%) (TRRBX)	**–0.2**	5.1	11.3	0.67	638-5660
Vanguard Target Retirement series					
Example: 2025 Fund (70%/30%) (VTTVX)	**–0.3**	6.8	11.4	0.17	662-7447
Example: 2035 Fund (84%/16%) (VTTHX)	**–0.6**	6.6	13.1	0.18	662-7447

NOTES: As of Jan. 21, 2015. N.A.: Not available. Load funds are included for those who prefer to use a broker. [1]Annualized. [2]Phone numbers are 866. [3]4.25% sales load.
SOURCES: Lipper, New York, 877-955-4773; the fund companies

Do you have a purchase you consider Money Well Spent? Email us about it and what it means to you at ***wellspent@moneymail.com.***

Hands-On Learning

by Sushma Subramanian

AFTER WEEKS OF REPORTING, I was still coming up blank. I was in the middle of writing a book about the sense of touch and the role it plays in our lives. I planned to devote a chapter to therapeutic touch, but the research on the subject was thin, and I was starting to panic. Then I remembered a massage therapist I'd once seen. The way he explained his technique was just what I was after. I emailed him to ask where he'd studied.

The therapist referred me to the Pacific College of Oriental Medicine, where I was pleased to discover a series of classes I could start immediately. However, doing so would cost $3,000, a big bite out of my research budget and advance. Nevertheless, I bit the bullet and registered.

Here's where the irony comes in. While I'm fascinated by the properties of touch, I'm not big on the actual practice. My father used to call me a touch-me-not, after the fern that folds in on itself when stroked. When I hug people, I often catch myself placing my arms around them tentatively, the equivalent of a dead-fish handshake.

Yet there I was on the first day of my class on Chinese medical massage, practicing a "basic pushing technique"—over my male classmate's backside. Sweating, I stifled a nervous giggle and kept my eyes on the clock.

Slowly I became more comfortable. I started to enjoy feeling for changes in temperature on my classmates' bodies and practicing massage techniques. The lessons began to seep into my outside life. When I was stressed, I bolstered my neck and knees as we had learned. In a class I teach, I gave a discouraged student a pat on the back. Studies show that touching communicates emotion and builds empathy and trust. At last, I was putting that science into practice.

After the first semester, I visited my friend Erin, who was having back problems. I asked her to lie down, felt for her knots, and went to work. Then I stretched the tissue in her shoulders to help her stand straighter. "That's amazing," she said. I blushed.

What started as a research project has become a life skill. I'd limited myself by shying away from touching the people in my life. Now, when words won't cut it, I have another way to connect.

Sushma Subramanian's first book, The Fifth Sense: Understanding the Power of Touch, *is forthcoming from Algonquin Books.*

Illustration by JASON SCHNEIDER